### UNITED STATES DISTRICT COURT EASTERN DISTRICT OF VIRGINIA Norfolk Division

JTH TAX, LLC d/b/a LIBERTY TAX SERVICE, : 1716 Corporate Landing Parkway Virginia Beach, Virginia 23454; and SiempreTax+ LLC d/b/a SiempreTax+ 2387 Liberty Way, Virginia Beach, VA, 23456 Plaintiffs, Case No: v. Maribel Gorosave, PLAINTIFFS' VERIFIED Serve: 937 Lee Ave, Calexico, CA 92231 : **COMPLAINT FOR INJUNCTIVE RELIEF AND DAMAGES** And Nora Garcia, Serve: 1943 Annandale Way, Pomona, CA: 91767 And Maribel Gorosave d/b/a Brightworks Business Services Serve: 440 South 4<sup>th</sup> Street, El Centro, CA : Defendants. ----X

Plaintiffs JTH Tax, LLC d/b/a Liberty Tax Service ("Liberty") and SiempreTax+ LLC (SiempreTax), by counsel, allege for their Verified Complaint against Defendants Maribel Gorosave ("Gorosave"), Nora Garcia ("Garcia"), and Maribel Gorosave d/b/a Brightworks Business Services ("Brightworks" and collectively "Defendants"), and state as follows:

### **INTRODUCTION**

- 1. Defendants have collectively conspired to operate a competing tax preparation business under the name Brightworks Business Services ("Brightworks") in an effort to circumvent and avoid the non-competition, post-termination, and non-solicitation provisions set forth in their Liberty Tax Service® ("Liberty") and SiempreTax+ LLC ("SiempreTax") Franchise Agreements with Liberty. [See Exhibit A Liberty Tax Franchise Agreement for CA 375, Exhibit B SiempreTax Franchise Agreement for CA375, and Exhibit C Liberty Tax Franchise Agreement for CA376] Defendants Gorosave and Garcia previously operated a total of three Liberty and SiempreTax+ franchises in El Centro, California (known as Area CA375) and in Brawley, California (known as Area CA376) under franchise agreements with Plaintiffs. Defendants operated a Liberty franchise at 251 W Main St. Brawley, CA ("the Brawley location") under the agreement for CA376 and a Liberty franchise at 440 4th Street, El Centro, CA ("the 4th Street Location") under the CA375 Agreement. Defendants also operated a SiempreTax franchise at 350 Ross Ave. Ste. E. El Centro, CA ("the Ross Ave. location") under the agreement for CA375.
- 2. On January 8, 2019 the parties mutually terminated the Liberty Franchise Agreement for the Brawley location and the SiempreTax Franchise Agreement for the Ross Ave. location. [Exhibit D].
- 3. On July 11, 2019, Defendants elected not to renew the Liberty Franchise Agreement for the 4<sup>th</sup> Street Location. [Exhibit E].
- 4. In June 2021, during a routine audit of Plaintiffs' electronic filing identification numbers ("EFINs"), Plaintiffs learned that Defendants were continuing to file tax returns while operating Brightworks out of the 4<sup>th</sup> Street Location, and, upon information and belief, were using Plaintiffs' customer lists.

- 5. Defendants are using Plaintiffs' trade secrets, customer lists, customer email addresses, and other confidential information to call upon and solicit Plainttfs' customers in the operation of Defendants' competing tax preparation business in violation of the Franchise Agreements and federal law.
- 6. Plaintiffs seek (1) an immediate injunction preventing Defendants from continuing to violate the Defend Trade Secrets Act and/or the Virginia Uniform Trade Secrets Act by misappropriating Liberty's trade secrets, (2) an immediate injunction prohibiting Defendants from operating a competing business in violation of their non-competition and non-solicitation covenants, and (3) an immediate injunction requiring Gorosave and Garcia to comply with the post-termination obligations under the Franchise Agreements.

### **PARTIES**

- 7. Liberty is a Delaware corporation with its principal place of business at 1716 Corporate Landing Parkway, Virginia Beach, Virginia 23454. Liberty maintains franchises and company-owned income tax preparation offices throughout the United States, including the State of California.
- 8. SiempreTax is a Virginia limited liability company with its principal place of business at 2387 Liberty Way, Virginia Beach, VA 23456
- 9. Defendant Gorosave is a citizen of the State of California, with a last known address of 937 Lee Ave, Calexico, CA 92231.
- 10. Defendant Garcia is a citizen of the State of California, with a last known address of 1943 Annandale Way, Pomona, CA 91767.
- 11. Upon information and belief, Brightworks Business Services is trade name used by Gorsosave for her tax preparation business located at 440 South 4<sup>th</sup> Street, El Centro, CA.

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### **JURISDICTION AND VENUE**

- 12. This Court has personal jurisdiction over Gorosave and Garcia because they entered into valid and enforceable franchise agreements for the ownership and/or operation of three Liberty franchise locations (the "Franchise Agreements," attached hereto as **Exhibit A, B, & C**). The Franchise Agreements contain a mandatory choice of law provision requiring that "Virginia law governs all claims that in any way relate to or arise out of any dispute whatsoever regarding the Agreements or any of the dealings of the parties hereto." *See* Ex. A § 17(a). The Franchise Agreements also contain a mandatory forum selection clause requiring that any lawsuit regarding the Franchise Agreement or "any of the dealings of the parties hereto . . . shall be proper only in the . . . U.S. District Court in Norfolk, Virginia." *See* Ex. A § 17(b).
- 13. This Court has personal jurisdiction over Brightworks because it is nothing more than a trade name for Gorosave, who was a party to the Franchise Agreements and Gorosave consented to the venue and jurisdiction of this Court through the Franchise Agreements.
- 14. This Court has subject matter jurisdiction over this action pursuant to 18 U.S.C. § 1836 under the Defend Trade Secrets Act.
- 15. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332 because complete diversity of citizenship exists between Plaintiffs (Virginia) and Defendants (California) and the amount in controversy exceeds the sum of \$75,000, including the valuation of Liberty's equitable claims, which are measured by the value of the object of the litigation, exclusive of interest and costs.
- 16. This Court has supplemental jurisdiction over this action pursuant to 28 U.S.C. § 1367 because the claims form part of the same case or controversy that give rise to this Court's jurisdiction over the violation of Defend Trade Secrets Act.

17. This action is properly venued in the Eastern District of Virginia pursuant to 28 U.S.C. §§ 1391(a)(1) and (2) because a substantial part of the events or omissions giving rise to the claims occurred within the Eastern District of Virginia, Norfolk Division.

### FACTUAL BACKGROUND

### **Plaintiffs**

- 18. Liberty is a franchisor of Liberty Tax Service<sup>®</sup> income tax preparation service centers located throughout the United States, including the State of California.
- 19. Liberty owns the federally-registered Liberty Tax Service® trademarks (trademark serial number 76066158), service marks, logos and derivations thereof (the "Liberty Marks"), as well as the distinctive and well-known Liberty Tax Service® system, which sells income tax preparation and filing services and products to the public under the Marks.
- 20. SiempreTax is a franchisor of SimepreTax+® income tax preparation service centerslocated throughout the United States, including the State of California.
- 21. SiempreTax owns the federally-registered SimepreTax+® trademarks (serial number 86386202), service marks, logos and derivations thereof (the "SiempreTax Marks")
- 22. Plaintiffs advertise and promote the Liberty Marks and SiempreTax Marks (collectively, "the Marks") throughout the United States, and have spent substantial time and money to maintain and improve their franchise systems, including, *inter alia*: (1) maintaining and developing service and product quality; (2) developing uniform designs and markings for their services; (3) licensing trademarks and other proprietary information to, and (4) training franchisees.
- 23. Plaintiffs grants licenses to franchisees to use the Marks and participate in their confidential and proprietary business system pursuant to written franchise agreements, which are

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reasonably and carefully tailored to protect Plaintiffs' valuable trade secrets, reputation, goodwill, and other legitimate business interests.

- 24. Plaintiffs disclose certain confidential information, including methods of operation of franchise, customer information, and marketing information, to franchisees through their Operations Manual, training manuals, training programs, and in providing guidance and assistance to its franchisees pursuant to a franchise agreement. Plaintiffs require that their franchisees agree, that upon expiration, termination, or nonrenewal of a franchise agreement, they will never use, disclose, or permit the use or disclosure of Plaintiffs' confidential information in any manner whatsoever. Plaintiffs require that upon termination, expiration, or nonrenewal of a franchise agreement, the former franchisee will stop using all literature and forms received by Plaintiffs, deliver to Plaintiffs all customer information, and deliver to Liberty all copies of its Operations Manual and any updates thereto.
- 25. As a result of these efforts and expenditures, the Marks have become associated in the minds of consumers with uniform goods and services of consistently high quality, provided only by persons following Plaintiffs' approved sales, operating methods and procedures.
- 26. Plaintiffs have used the Marks, along with the efforts of its hardworking employees, to grow from five offices in 1998 to over 3,000 today.
- 27. Plaintiffs have grown to be some of the largest tax preparation franchises in the U.S.A.
- 28. Plaintiffs play an important role in the local Virginia Beach economy, as well as nation-wide, with a network of over 21,000 tax preparers.
- 29. January to April is Plaintiffs' busiest time of year, during which time Plaintiffs generate approximately 90% of their annual revenue.

### **Obligations Under the Franchise Agreements**

- 30. On or about March 15, 2013, Gorosave and Garcia entered into the Franchise Agreement with Liberty for the 4<sup>th</sup> Street Location. [Ex. A]. The term of the Franchise Agreement was five years with specific terms for renewal. *Id.* § 2(a), (b).
- 31. On or about November 13, 2014, Gorosave and Garcia entered into the Franchise Agreement with SiempreTax for the Ross Ave Location. [Ex. B]. The term of the Franchise Agreement was five years with specific terms for renewal. *Id.* § 2(a), (b).
- 32. On or about December 19, 2013, Gorosave and Garcia entered into the Franchise Agreement with Liberty for the Brawley Location. [Ex. C]. The term of the Franchise Agreement was five years with specific terms for renewal. *Id.* § 2(a), (b).
- 33. Pursuant to the Franchise Agreements, Plaintiffs provided Gorosave and Garcia with training in franchise operation, marketing, advertising, sales, and business systems. Gorosave and Garcia also received a copy of Plaintiffs' confidential operating, marketing, and advertising materials, which are not available to the public or to anyone who is not part of Plaintiffs' business system.
- 34. Between July and September of 2016, Defendants and Plaintiffs amended the Franchise Agreements. [Exhibit F].
- 35. Pursuant to Section 3 of the Franchise Agreements, Gorsave, Garcia and Plaintiffs agreed that Gorosave and Garcia "may operate as many tax return preparation offices in the Territor[ies] as [they] determine[d] to be appropriate." *See* Exhibit A. The Franchise Agreements described the boundaries of the Territories, which it identified as "CA375" and "CA376". *See* Exhibit. A p.A-1; [Exhibit C p.A-1].
  - 36. Under the Franchise Agreements, Gorosave and Garcia operated a Liberty franchise

at the 4<sup>th</sup> Street Location, using the business phone number (760) 352-7642.

- 37. Under the Franchise Agreements, Gorosave and Garcia operated a SiempreTax franchise at the Ross Ave Location, using the business phone number (760) 679-9677
- 38. Under the Franchise Agreements, Gorosave and Garcia operated a Liberty franchise at the Brawley Location, using the business phone number (760) 790-4011.
- 39. In exchange for Plaintiffs" grants of franchises allowing them to "operate a tax return preparation business using Liberty's system and Liberty's Marks within the Territory," and specifically at the Franchise Locations, Gorosave and Garcia agreed to certain obligations while operating under the Franchise Agreements as well as post-termination.

### **Obligations While Operating Franchise**

- 40. Under the Franchise Agreements, Gorosave and Garcia agreed to pay Plaintiffs Royalties, *see* **Ex. A** § 4(d), and an Advertising Fee, *see id.* § 4(f), which are calculated as a percentage of the franchisees' monthly Gross Receipts. Gorosave and Garcia agreed to pay Plaintiffs the royalty and advertising fees by the fifth of each month. *See id.* § 4(g).
- 41. Gorosave and Garcia agreed to pay interest on amounts due under the Franchise Agreements at a rate of 12% compounded daily on any amounts that are fifteen days past due. *Id.* § 4(h).
- 42. Plaintiffs record as accounts receivable ("A/R") the amounts due from a franchisee under the Franchise Agreements, e.g., Royalties and Advertising Fee.
- 43. On December 19, 2013, Gorosave and Garcia entered into a promissory note in favor of Liberty in the principal amount of \$32,000 (the "Note"). *See* Exhibit C to Exhibit C.
- 44. The Note provides that interest shall accrue commencing on February 28, 2014 at a rate of 12% per annum. *Id.* p.1.

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- 45. In the Note, Gorosave and Garcia agreed "to pay all attorneys' fees and other costs and expenses that Liberty may incur in connection with the collection or enforcement of [the Note]." *Id.* p.1.
- 46. Under the Note, cessation of the obligors' ownership rights to the business, such as through the expiration of the Franchise Agreements, constitutes an event of default, whereupon "the entire unpaid balance ... and all accrued interest shall become immediately due and payable." *Id.* p.2.
  - 47. Gorosave and Garcia each personally guaranteed the Note. *Id.* p.3.
- 48. Section 23 of the Franchise Agreements contains a personal guaranty whereby Gorosave and Garcia agreed to abide by the terms therein including, specifically, those pertaining to governing law and forum selection, to make all payments specified in the Franchise Agreement, and to pay any promissory notes and debt owed to Plaintiffs.

### **Obligations After Termination of Franchise Agreement**

- 49. Pursuant to Section 9 of the Franchise Agreements, Gorosave and Garcia agreed to certain post-termination obligations, which include, *inter alia*, the obligation to:
  - A. Never hold themselves out as a former franchisee of Plaintiffs, **Ex. A** § 9(b);
  - B. Pay to Plaintiffs all amounts owing to Plaintiffs, id. § 9(d);
  - C. Transfer to Plaintiffs all telephone numbers, listings, and advertisements used in relation to the Franchised Business, *id.* § 9(e);
  - D. Deliver to Plaintiffs all original and all copies of documents containing the contact information of customers who patronized the Franchised Business, *id.* § 9(g);
  - E. Deliver to Plaintiffs all original and copies of customer tax returns, files, and records, *id.* § 9(h);
  - F. Deliver to Plaintiffs the copy of the Operations Manual and any updates, *id*. § 9(i);

- G. Adhere to the provisions of the post-term covenants, including the covenants not to compete and not to solicit, *id.* § 9(k).
- 50. Pursuant to Section 10(b) of the Franchise Agreements, Gorosave and Garcia agreed to a post-termination covenant not to compete ("Non-Compete") "[f]or a period of two (2) years following the termination, expiration, transfer or other disposition of the Franchised Business . . . . you agree not to directly or indirectly, for a fee or charge, prepare or electronically file income tax returns . . . within the Territory or within a twenty-five miles of the boundaries of the Territory."
- 51. Pursuant to Section 10(d) of the Franchise Agreements, Gorosave and Garcia agreed to a post-termination covenant not to solicit ("Non-Solicit") "for a period of two (2) years following the termination, expiration, transfer or other disposition of the Franchised Business...you will not within the Territory or within twenty-five (25) miles of the boundaries of the Territory, directly or indirectly, solicit the patronage of any person or entity served by any of your prior Liberty offices in the last twelve (12) months that you were a Liberty franchisee...for the purpose of offering such person or entity for a fee or charge, income tax preparation, electronic filing of tax returns, or Financial Products."
- 52. The Non-Compete and Non-Solicit covenants contained in Section 10 of the Franchise Agreements are necessary to protect Plaintiffs' legitimate, protectable interests in its franchise businesses, including but not limited to:
  - A. Maintaining and protecting Plaintiffs' goodwill and customer loyalty;
  - B. Retaining customer relationships;
  - C. Plaintiffs' customer lists, customer identification, tax returns, and other confidential and trade secret information; and
  - D. Preserving Plaintiffs' ability to facilitate the operation of Plaintiff franchises where the Franchise Location is currently located.
  - 53. Pursuant to Section 10(h) of the Franchise Agreements, Gorosave and Garcia

agreed "that the provisions of Section 10 are reasonable, valid and not contrary to the public interest." To that end, Gorosave and Garcia agreed to "waive all defenses to the strict enforcement of Section 10," and further agreed that "[Plaintiffs are] entitled to a temporary restraining order, preliminary and/or permanent injunction for any breach of duties under any of the non-monetary obligations of Sections 9 and 10."

- 54. Pursuant to Section 12 of the Franchise Agreements, Gorosave and Garcia acknowledged that information provided by Plaintiffs to them regarding, among other things, Plaintiffs' Marks, methods, techniques, formats, specifications, procedures, information, systems, and customer and marketing information was confidential, and was to be used only in connection with the operation of the Franchise Locations.
- 55. Pursuant to Sections 12(a) of the Franchise Agreements, Gorosave and Garcia agreed that "[u]pon the expiration, termination or nonrenewal of this Agreement, you agree that you will never use or disclose, and will not permit any of your representatives to use or disclose, Plaintiffs' Confidential Information in any manner whatsoever, including, without limitation, in the design, development or operation of any business substantially similar to the Franchised Business."
- 56. Pursuant to Section 12(c) of the Franchise Agreements, Gorosave and Garcia agreed that they would "(a) not use the Confidential Information for any purpose other than the operation of the Franchised Business pursuant to this Agreement; (b) maintain absolute confidentiality of the Confidential Information during and after the term of this Agreement; (c) not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (d) adopt and implement all reasonable procedures, including, but not limited to, those Plaintiffs prescribe form time to time, to prevent unauthorized use of or disclosure of the

Confidential Information."

57. Pursuant to Section 17(a) of each of the Franchise Agreements, Gorosave and Garcia agreed and acknowledged that Virginia law governs "all claims that in any way relate to or arise out of" the Franchise Agreement and/or the dealings between the parties to the Franchise Agreement.

58. Pursuant to Section 17(b) of the Franchise Agreements, Gorosave and Garcia consented to venue and personal jurisdiction in the U.S. District Court for the Eastern District of Virginia, Norfolk Division.

### **Breach of the Franchise Agreement**

- 59. The parties mutually terminated the Franchise Agreements for the Ross Ave. and Brawley Locations on January 8, 2019. [Ex. D]. Later that year, on July 11, 2019, Defendants notified Plaintiffs that they did not wish to renew their franchise agreement for the 4<sup>th</sup> Street Location. [Ex. E].
- 60. Following the termination an non-renewal, Gorosave created a competing tax preparation business, Brightworks, which would operate out of the same location as the 4<sup>th</sup> Street Location; use the same phone number as the 4<sup>th</sup> Street location (760-352-7642); use Plaintiffs' trade secrets, including, but not limited to, business know-how and customer lists; and use the good will acquired from Plaintiffs' Marks as well as developed by the former 4<sup>th</sup> Street Location to compete directly with Plaintiffs and solicit Plaintiffs' customers in breach of Defendants' post-termination restrictive covenants.
- 61. Upon information and belief, since 2019, Gorosave has been operating a tax preparation business to compete with Plaintiffs by rebranding her operations as "Brightworks Business Services" She would thereby incur economic gain by using Plaintiffs' trade secrets,

customer information, and good will. Upon information and believe Gorosave created Brightworks prior to or immediately following the termination of the Franchise Agreements.

- 62. Gorosave has misappropriated customer information obtained while operating the former Franchised Businesses, used a business advertisement website that demonstrated and garnered good will while the franchisees operated under the Marks, used the telephone number and address used by the former Franchise Location in order to unlawfully solicit Plaintiffs' clients and potential clients and unlawfully compete with Plaintiffs via her new business, Brightworks.
  - 63. Gorosave and Garcia failed to deliver to Plaintiffs all customer contact information.
- 64. Gorosave and Garcia failed to deliver to Plaintiffs all customer files, including, but not limited all original and copies of customer tax returns and records.
- 65. As of July 2021, Defendants owe Plaintffs Royalties in the amount of approximately \$70,699 for tax returns prepared in violation of the non-compete and non-solicitation clauses of the Franchise Agreements.
- 66. Defendants failed to transfer to Plaintiffs the telephone numbers associated with the former Franchised Businesses. In order to compete with Plaintiffs, trade on Plaintiffs' good will, and solicit Plaintiffs' customers, Defendants continue to use the telephone number of the former Franchised Business as reflected in Brightworks' website.
- 67. Gorosave established Brightworks within two years of the expiration of the Franchise Agreements and operates it to offer and provide tax preparation services from the Franchise Location using the telephone number associated with the former Franchised Business.
- 68. Defendants have prepared, are preparing, and will continue to prepare tax returns for cstomers of Plaintiffs for whom Defendants prepared tax returns while operating their former Franchise Locations, despite the termination of the Franchise Agreements.

69. Defendants, individually, jointly, and in concert with each other have used, divulged, and/or communicated Plaintiffs' trade secrets and confidential information to establish and operate Brightworks without the consent of Plaintiffs.

### **COUNT I**

### Breach of Franchise Agreement Against Gorosave and Garcia (Equitable Claim)

- 70. Plaintiffs incorporate herein by reference the preceding Paragraphs as if set forth herein verbatim.
  - 71. The Franchise Agreements are valid and enforceable.
- 72. Plaintiffs have performed every obligation and condition required of them under the Franchise Agreements.
- 73. Defendants are personally and individually liable for all obligations in the Franchise Agreement, including post-termination obligations and covenants.
- 74. The Franchise Agreements were terminated on January 8, 2019 or expired on July 11, 2019.
- 75. Defendants agreed to the post-termination obligations set forth in Section 9 of the Franchise Agreements.
- 76. Defendants committed the following acts and omissions following the expiration of the Franchise Agreement in violation of Section 9 of the Franchise Agreement:
  - A. Operating their competing business, Brightworks, in a former Franchise Location using a former Franchise telephone number;
  - B. Failing to pay to Plaintiffs royalties due and owing;
  - C. Failing to transfer to Plaintiffs the telephone number used by the Franchised Business upon expiration of the Franchise Agreement;
  - D. Failing to provide to Plaintiffs the original and all copies of files and records, including customer lists, related to the operation of the Franchised Business upon expiration of the Franchise Agreement;

- E. Failing to return Plaintiffs' confidential operations manual;
- F. Preparing and electronically filing income tax returns and providing Financial Products from the former Franchise Location, which is within the Territory, during the two-year period following the expiration of the Franchise Agreement; and
- G. Soliciting the patronage of persons and entities that were served by the former Franchised Businesses between November 13, 2014 and July 11, 2019 for the purpose of offering such person or entity income tax preparation, electronic filing of tax returns, or Financial Products during the two-year period following the expiration of the Franchise Agreement.
- 77. Gorosave and Garcia agreed to the post-termination Non-Compete and Non-Solicit covenants set forth in Section 10 of the Franchise Agreements.
- 78. Defendants committed the following acts and omissions following the expiration of the Franchise Agreement in violation of Section 10 of the Franchise Agreement:
  - A. Preparing and electronically filing income tax returns and providing Financial Products from the Franchise Location, which is within the Territory, during the two-year period following the expiration of the Franchise Agreement; and
  - B. Soliciting the patronage of persons and entities that were served by the Franchised Businesses between November 13, 2014 and July 11, 2019 for the purpose of offering such person or entity income tax preparation, electronic filing of tax returns, or Financial Products during the two-year period following the expiration of the Franchise Agreement.
- 79. Gorosave and Garcia agreed not to disclose or use Plaintiffs' Confidential Information except as authorized in Section 12 of the Franchise Agreement.
- 80. Gorosave and Garcia committed the following acts and omissions following the expiration of the Franchise Agreement in violation of Section 12 of the Franchise Agreement:
  - A. Disclosing Plaintiffs' Confidential Information, including methods of operations, customer information, and marketing information, to other persons and entities, including Brightworks, without the consent or authorization of Plaintiffs.
  - B. Using Plaintiffs' Confidential Information for purposes other than the

- operation of the Franchised Business, including for the purpose of operating Brightworks Plus and soliciting Plaintiffs' customers.
- 81. Each and every one of the breaches set forth in Paragraphs 70, 72, and 74 constitutes a material breach of the Franchise Agreements.
- 82. As a direct and proximate result of these breaches, Plaintiffs have incurred, and will continue to incur substantial losses, fees, and expenses for which Defendants are jointly and severally liable.
- 83. As a result of Defendants' past, present, and potential breaches, Plaintiffs have suffered and will continue to suffer actual, substantial, and irreparable damage, including, but not limited to:
  - A. Loss of customer goodwill and loyalty;
  - B. Loss of business opportunities and relationships to provide tax preparation services and related services:
  - C. Loss of customers;
  - D. Loss of profits;
  - E. Loss of franchisee stability;
  - F. Loss of ability to sell other franchises;
  - G. Loss of value in confidential business information;
  - H. Loss of competitive advantage in the CA375 and CA376 Territories;
  - I. Attorneys' fees; and
  - J. Cost of this action.
- 84. Plaintiffs have been and will be irreparably harmed by Defendants' actions, and monetary damages are an insufficient remedy in that they can only potentially quantify a limited loss of customers, but cannot take into account the continuing irreparable damage to the value of

Plaintiffs' trade secrets and confidential information, goodwill, customer loyalty, and its ability to sell franchises, all of which are caused by Gorosave and Garcia's ongoing violations.

- 85. Upon information and belief, Defendants will continue to breach the Franchise Agreements by failing to transfer the telephone number and advertisement of the former Franchised Businesses and failing to deliver to Plaintiffs all original and copies of Plaintiffs' confidential information and customer information and records.
- 86. Upon information and belief, Defendants will continue to breach post-termination obligations of continuing to use the telephone number of the former Franchised Business; continuing to disclose and use Plaintiffs' confidential information and trade secrets, including, but not limited to business know-how and customer lists; and continuing to breach the Non-Compete and Non-Solicit covenants unless their wrongful conduct is enjoined.

### **COUNT II**

### Breach of Franchise Agreement Section 9(d) Against Gorosave and Garcia (Monetary Claim)

- 87. Plaintiffs incorporate herein by reference the preceding Paragraphs as if set forth herein verbatim.
  - 88. The Franchise Agreements are valid and enforceable.
- 89. Plaintiffs have performed every obligation and condition required of it under the Franchise Agreements.
- 90. Defendants agreed to perform all obligations set forth in the Franchise Agreement, including the post-termination obligations set forth in Section 9.
  - 91. The Franchise Agreement for the 4<sup>th</sup> Street Location expired on July 11, 2019.
- 92. The Franchise Agreement for the Ross Ave and Brawley Locations expired on January 8, 2019.

- 93. Section 9(d) of the Franchise Agreement required that Gorosave and Garcia pay Plaintiffs all amounts due and owing to Plaintiffs.
- 94. As of the date of this Verified Complaint, Gorosave and Garcia have not paid Plaintiffs the outstanding A/R in the amount of \$4,661.50.
- 95. Pursuant to Section 23 of the Franchise Agreement, Gorosave and Garcia are personally liable for all amounts due and owing under the outstanding A/R.
- 96. As a direct and proximate result of Gorosave and Garcia's breaches of the Franchise Agreements, Plaintiffs have incurred, and will continue to incur substantial losses, fees, and expenses for which Gorosave and Garcia are jointly and severally liable.

### **COUNT III**

### Breach of Franchise Agreement Sections 9(k), 10(b), (d) Against Gorosave and Garcia (Monetary Claim)

- 97. Plaintiffs incorporate all previous paragraphs as though fully set forth herein verbatim.
- 98. Gorosave and Garcia agreed to the post-termination obligation set forth in Section 9(k) of the Franchise Agreements that they would adhere to the provisions of the Non-Compete and Non-Solicit covenants.
- 99. Gorosave and Garcia agreed to the Non-Compete covenant set forth in Section 10(b) of the Franchise Agreement that, "[f]or a period of two (2) years following the...expiration...of the Franchised Business...you agree not to directly or indirectly, for a fee or charge, prepare or electronically file income tax returns, or offer Financial Products, within the Territory or within twenty-five (25) miles of the boundaries of the Territory."
- 100. Gorosave and Garcia agreed to the Non-Solicit covenant set forth in Section 10(d) of the Franchise Agreement that, "for a period of two (2) years following the...expiration...of the Franchised Business...you will not within the Territory or within twenty-five (25) miles of the

boundaries of the Territory, directly or indirectly, solicit the patronage of any person or entity served by any of your prior Liberty offices in the last twelve (12) months that you were a Liberty franchisee...for the purpose of offering such person or entity, for a fee or charge, income tax preparation, electronic filing of tax returns, or Financial Products."

- 101. Within the two years following the expiration of the Franchise Agreements, Defendants have misappropriated customer information obtained while operating the former Franchised Business, and used a telephone number and address used by the former Franchise Business, in order to unlawfully solicit Liberty's clients and potential clients and unlawfully compete with Plaintiffs via their new business Brightworks.
- 102. Defendants have and will continue to use Plaintiffs' goodwill in order to legitimize their new business and for the purpose of competing with Plaintiffs.
- 103. Defendants have and will continue to utilize the telephone number of the former Franchised Business, which they failed to transfer to Plaintiffs in violation of Section 9(e) of the Franchise Agreement, and address of the former Franchise Location to legitimize Brightworks as the successor business of the former Franchised Business in order to solicit Plaintiffs' customers and compete with Plaintiffs. Defendants have advertised their telephone number and address through Brightworks' website.
- 104. Defendants have and will continue to solicit Plaintiffs' clients using the confidential client contact information and records that they failed to deliver to Plaintiffs in violation of Section 9(g) and (h) of the Franchise Agreements.
- 105. As a direct and proximate result of Defendants' breaches of Sections 9(k), 10(b), and 10(d) of the Franchise Agreement, Plaintiffs have suffered and will continue to suffer damages in an amount to be proven at trial, for which Defendants are jointly and severally liable, including,

but not limited to, compensatory damages, consequential damages, and disgorgement of Defendants' profits.

- Non-Solicit covenants by creating a new business entity (Brightworks) for the purposes of providing tax preparation services prior to or immediately following the expiration of the Franchise Agreements; failing to transfer to Plaintiffs the telephone number of the former Franchised Business in violation of the Franchise Agreement in order to legitimize Brightworks' business; failing to deliver to Plaintiffs all original and copies of customer information and records in violation of the Franchise Agreements in order to wrongfully solicit Plaintiffs' customers and wrongfully compete with Plaintiffs within two years of allowing the Franchise Agreements to expire; and soliciting Plaintiffs' customers and competing with Plaintiffs in violation of the Franchise Agreement post-termination covenants.
- 107. Because Defendants intentionally and maliciously violated the Non-Compete and Non-Solicit covenants of the Franchise Agreement, Plaintiffs are entitled to punitive damages.

## COUNT IV Conversion Against Gorosave

- 108. Plaintiffs incorporates all previous paragraphs as though fully set forth herein verbatim.
- 109. Plaintiffs own and have the right to possess the following property by virtue of the Franchise Agreement:
  - A. The telephone number of the former Franchised Business;
  - B. Any original and all copies, including electronic copies and media, of lists and other sources of information containing the names, addresses, e-mail addresses, or phone numbers of customers who patronized the Franchised Business:

- C. Any original and all copies, including electronic copies and media, containing customer tax returns, files, and records; and
- D. The copy of the Operations Manual and any updates.
- 110. Gorosave and Garcia were authorized to use and possess the property while operating the former Franchised Businesses under the Franchise Agreements.
- 111. Pursuant to Section 9 of the Franchise Agreement, upon expiration of the Franchise Agreement, Gorosave and Garcia were required to transfer and deliver all of the aforementioned property to Plaintiffs.
- 112. Following the expiration of the Franchise Agreements, Defendants have retained Plaintiffs' property without authority, thereby intentionally interfering with Plaintiffs' use and enjoyment of its property. Upon information and belief, Brightworks uses the same telephone number as the former 4<sup>th</sup> Street Location.
- 113. Defendants have converted Plaintiffs' property for their financial gain through the solicitation of Plaintiffs' customers and in order to directly compete with Plaintiffs for tax preparation services.
- 114. Defendants' interference with Plaintiffs' property by virtue of not transferring or delivering it to Plaintiffs has deprived Plaintiffs of its possession and use of the aforementioned property.
- 115. As a direct and proximate result of Defendants' conversion of Plaintiffs' property, Liberty has suffered damages and will continue to suffer damages until the aforementioned property is delivered and returned to Plaintiffs.

#### **COUNT V**

### Violation of Defend Trade Secrets Act Against all Defendants

- 116. Plaintiffs incorporate all previous paragraphs as though fully set forth herein verbatim.
- 117. The Defend Trade Secrets Act, 18 U.S.C. § 1836, *et seq.*, provides a private civil action for the misappropriation of a trade secret that is related to a product or service used in, or intended for use in, interstate or foreign commerce.
- 118. Plaintiffs own numerous trade secrets, including but not limited to, its Operations Manual, training manuals, training programs, marketing strategies, marketing programs, and customer lists. Each of Plaintiffs' trade secrets derives independent economic value from not being generally known to and not being readily ascertainable through proper means by, another person who can obtain economic value from the disclosure or use of the information. Plaintiffs' trade secrets are not readily ascertainable by the public as they are disclosed only to franchisees in the operation of a franchised business pursuant to a franchise agreement.
- 119. During the operation of the Franchised Businesses, Plaintiffs' trade secrets were disclosed to Gorosave and Garcia for the sole purpose of operating the Franchised Businesses pursuant to the Franchise Agreements.
- 120. Plaintiffs have taken extensive measures to preserve and protect these trade secrets for the purpose of maintaining its competitive advantage in the marketplace. The Franchise Agreements explicitly provide for the protection of such trade secrets, including requiring the delivery of all originals and copies of such information to Plaintiffs upon expiration, termination, or nonrenewal of the Franchise Agreements, requiring former franchisees and their representatives to maintain the confidentiality of the information, and requiring former franchisees and their representatives to never use the information for any purpose other than operating a Franchised

Business pursuant to the Franchise Agreements.

- 121. Plaintiffs required and Gorosave and Garcia agreed that upon expiration, termination, or nonrenewal of the Franchise Agreements, they would never use, disclose, or permit the use or disclosure of Plaintiffs' trade secrets in any manner whatsoever.
- 122. Plaintiffs required that upon termination, expiration, or nonrenewal of the Franchise Agreements, Gorosave and Garcia would stop using all literature and forms received by Plaintiffs, deliver to Plaintiffs all customer information, and deliver to Plaintiffs all copies of its Operations Manual and any updates thereto.
- 123. In 2019, Gorosave began a business called Brightworks, which performs tax preparation services at the former Franchise Location to customers Gorosave and Garcia previously served while they were franchisees.
- 124. Without authority or consent from Defendants used the business know-how, customer lists, and customer contact information that Gorosave and Garcia obtained while operating the former Franchised Business to obtain business for themselves and/or Brightworks after the expiration of the Franchise Agreements, thereby misappropriating Plaintiffs' trade secrets.
- 125. Upon information and belief, Defendants are utilizing Plaintiffs' confidential system and materials after the expiration of the Franchise Agreements and Plaintiffs have not and would not consent to or authorize such use.
- 126. Defendants intentionally and without Plaintiffs' permission or authorization misappropriated and/or disclosed Plaintiffs' trade secrets for their own economic benefit and with the intention and knowledge that their conduct would injure Plaintiffs by, for example, causing Plaintiffs to lose any customers successfully solicited by Defendants.

- 127. As a direct and proximate result of Gorosave and Garcia's willful, improper, and unlawful disclosure and Defendants' willful, improper, and unlawful use of Plaintiffs' trade secrets, Plaintiffs have suffered and will continue to suffer irreparable injury. Pursuant to 18 U.S.C. § 1836(b)(3)(A), Defendants' actual and threatened use and misappropriation of Plaintiffs' trade secrets should be enjoined from further disclosure or use of Plaintiffs' trade secrets.
- 128. Pursuant to 18 U.S.C. 1836(b)(3)(B), Plaintiffs are entitled to recover damages for its actual losses; and/or is entitled to recover for the unjust enrichment caused by Defendants' misappropriation of Plaintiffs' trade secrets in an amount to be proven at trial.
- 129. Defendants' conduct in misappropriating Plaintiffs' trade secrets was and continues to be willful and malicious warranting an award of exemplary damages in accordance with 18 U.S.C. § 1836(b)(3)(C); and an award of reasonable attorneys' fees in accordance with 18 U.S.C. § 1836(b)(3)(D).

#### **COUNT VI**

### Violation of Virginia Uniform Trade Secrets Act Against all Defendants

- 130. Plaintiffs incorporate all previous Paragraphs as though fully set forth herein verbatim.
- 131. Plaintiffs own numerous trade secrets, including but not limited to, its Operations Manual, training manuals, training programs, marketing strategies, marketing programs, and customer lists. Each of Plaintiffs' trade secrets derives independent economic value from not being generally known to and not being readily ascertainable through proper means by, another person who can obtain economic value from the disclosure or use of the information. Plaintiffs' trade secrets are not readily ascertainable by the public as they are disclosed only to franchisees in the operation of a franchised business pursuant to a franchise agreement.
  - 132. During the operation of the Franchised Businesses, Plaintiffs' trade secrets were

disclosed to Gorosave and Garcia for the sole purpose of operating the Franchised Businesses pursuant to the Franchise Agreements.

- 133. Plaintiffs have taken extensive measures to preserve and protect these trade secrets for the purpose of maintaining its competitive advantage in the marketplace. The Franchise Agreements explicitly provide for the protection of such trade secrets, including requiring the delivery of all originals and copies of such information to Plaintiffs upon expiration, termination, or nonrenewal of the Franchise Agreements, requiring former franchisees and their representatives to maintain the confidentiality of the information, and requiring former franchisees and their representatives to never use the information for any purpose other than operating a Franchised Business pursuant to the Franchise Agreements.
- 134. Plaintiffs required and Gorosave and Garcia agreed that upon expiration, termination, or nonrenewal of the Franchise Agreements, they would never use, disclose, or permit the use or disclosure of Plaintiffs' trade secrets in any manner whatsoever.
- 135. Plaintiffs required that upon termination, expiration, or nonrenewal of the Franchise Agreements, Gorosave and Garcia would stop using all literature and forms received by Plaintiffs, deliver to Plaintiffs all customer information, and deliver to Plaintiffs all copies of its Operations Manual and any updates thereto.
- 136. In 2019, Gorosave began a business called Brightworks, which performs tax preparation services at the former 4<sup>th</sup> Street Location to customers Gorosave and Garcia previously served while they were franchisees.
- 137. Without authority or consent from Plaintiffs, Defendants used Liberty's business know-how, customer lists, and customer contact information in order to obtain business for

themselves after the expiration of the Franchise Agreements, thereby misappropriating Plaintiffs' trade secrets.

- 138. Upon information and belief, Defendants are utilizing Plaintiffs' confidential system and materials after the expiration of the Franchise Agreements and Plaintiffs have not and would not consent to or authorize such use.
- 139. Defendants intentionally and without Plaintiffs' permission or authorization misappropriated and/or disclosed Plaintiffs' trade secrets for their own economic benefit and with the intention and knowledge that their conduct would injure Plaintiffs by, for example, causing Plaintiffs to lose any customers successfully solicited by Defendants.
- 140. As a direct and proximate result of Defendants' willful, improper, and unlawful disclosure and Defendants' willful, improper, and unlawful use of Plaintiffs' trade secrets, Plaintiffs have suffered and will continue to suffer irreparable injury. Pursuant to Va. Code § 59.1-337, Defendants' actual and threatened use and misappropriation of Plaintiffs' trade secrets should be enjoined from further disclosure and use of Plaintiffs' trade secrets.
- 141. Pursuant to Va. Code § 59.1-338(A), Plaintiffs are entitled to recover damages for its actual losses; and/or is entitled to recover the unjust enrichment caused by Defendants' misappropriation of Plaintiffs' trade secrets in an amount to be proven at trial.
- 142. Defendants' conduct in misappropriating Plaintiffs' trade secrets was and continues to be willful and malicious warranting an award of punitive damages in accordance with Va. Code § 59.1-338(B); and an award of reasonable attorneys' fees in accordance with Va. Code § 59.1-338.1.

#### **COUNT VII**

### Tortious Interference with Contract Against Brightworks

- 143. Plaintiffs incorporate all previous Paragraphs as though fully set forth herein verbatim.
  - 144. The Franchise Agreements are valid and enforceable.
- 145. Brightworks, by and through Gorosave, knew of the existence of the Franchise Agreements.
- 146. Brightworks engaged in the intentional and improper conduct described herein, which induced Gorosave, to breach various provisions of the Franchise Agreements, including, but not limited to the following:
  - A. Failing to transfer to Plaintiffs the telephone number used by the Franchised Business upon expiration of the Franchise Agreement;
  - B. Preparing and electronically filing income tax returns and providing Financial Products from the Franchise Location, which is within the Territory, during the two-year period following the expiration of the Franchise Agreement; and
  - C. Soliciting the patronage of persons and entities that were served by the Franchised Businesses between November 13, 2014 and July 11, 2019 for the purpose of offering such person or entity income tax preparation, electronic filing of tax returns, or Financial Products during the two-year period following the expiration of the Franchise Agreements.
  - D. Disclosing Plaintiffs' Confidential Information, including methods of operations, customer information, and marketing information, to other persons and entities, including Brightworks, without the consent or authorization of Plaintiffs.
  - E. Using Plaintiffs' Confidential Information for purposes other than the operation of the Franchised Business, including for the purpose of operating Brightworks and soliciting Plaintiffs' customers.
- 147. As a result of Brightworks' tortious conduct, Gorosave and Garcia breached the Franchise Agreements with Plaintiffs.

- 148. Brightworks' tortious interference has caused Plaintiffs to suffer irreparable injury and Plaintiffs will continue to suffer irreparable injury unless Brightworks is enjoined from further tortious interference with Gorosave and Garcia's compliance with the terms of the Franchise Agreements.
- 149. As a direct and proximate result of Brightworks' tortious interference, Plaintiffs have suffered and will continue to suffer damages in an amount to be proven at trial, including, but not limited to, compensatory damages, consequential damages, and disgorgement of Brightworks' profits.
- 150. Brightworks intentionally and maliciously caused Gorosave and Garcia to violate the non-competition and non-solicitation covenants by creating a new business entity (Brightworks) for the purposes of providing tax preparation services prior to or immediately after the Franchise Agreements expired; failing to transfer to Plaintiffs the telephone number of the former Franchised Business in violation of the Franchise Agreements and in order to legitimize Brightworks' business; failing to deliver to Plaintiffs all original and copies of customer information and records in violation of the Franchise Agreements in order to wrongfully solicit Plaintiffs' customers and wrongfully compete with Plaintiffs within two years of allowing the Franchise Agreements to expire; and soliciting Plaintiffs' customers and competing with Plaintiffs in violation of the Franchise Agreements' post-termination covenants.
- 151. Because Brightworks intentionally and maliciously interfered with Gorosave and Garcia's compliance with the Franchise Agreements, Plaintiffs are entitled to punitive damages.

### <u>COUNT VIII</u> Request for Preliminary Injunction Against Defendants

152. Plaintiffs incorporate herein by reference the preceding Paragraphs as if set forth herein verbatim.

- 153. Plaintiffs' application for injunctive relief is authorized by Fed. R. Civ. P. 65.
- 154. Pursuant to Section 10(h) of the Franchise Agreements, Gorosave and Garcia acknowledged and agreed that "[plaintiffs are] entitled to a temporary restraining order, temporary and/or permanent injunction" for breach of any of the post-termination obligations of the Franchise Agreement.
- 155. By providing tax preparation services to former franchisee customers out of the Franchise Location, using the same telephone number as the Franchised Business; disclosing and using Plaintiffs' confidential information; and misappropriating Plaintiffs' trade secrets, Defendants are engaging and will continue to engage in tax preparation services that are in clear violation of the express terms of the Franchise Agreement.
- 156. As a result of Defendants' unauthorized and unlawful acts, Plaintiffs have been irreparably harmed and will continue to suffer irreparable harm.
- 157. For the foregoing reasons, Plaintiffs respectfully request that the Court grant the following injunctive relief:
  - A. Enjoin Defendants from continuing to operate a tax preparation business out of the Franchise Location;
  - B. Enjoin Defendants from using the telephone number of the former Franchised Business.
  - C. Enjoin Gorosave and Garcia from preparing or electronically filing income tax returns and offering Financial Products within the Territory or within twenty-five miles of the Territory set forth in the Franchise Agreements;
  - D. Enjoin Defendants from providing tax preparation services to any customers served by the former Franchised Businesses between November 13, 2014 and July 11, 2019;
  - E. Enjoin Defendants from referring to themselves as a former franchisee of Plaintiffs or former franchisee of a national tax preparation service; and
  - F. Enjoin Defendants from using any confidential information from manuals or system provided by Plaintiffs.

- 158. Plaintiffs have a high likelihood of success on the merits on their claims, and it is probable that it will recover from Defendants, as Defendants, each and collectively, are openly and actively, materially breaching the express terms of the valid and enforceable Franchise Agreements and as Brightworks is openly and actively, tortiously interfering with Gorosave and Garcia's compliance with the Franchise Agreements and is in possession of and using Plaintiffs' trade secrets.
- 159. Irreparable harm will result if a preliminary injunction is not issued because Gorosave and Garcia continue to materially breach the express terms of the valid enforceable Franchise Agreement, which will cause irreparable and irreversible harm to the goodwill and reputation that Liberty has spent significant time and money establishing.
- 160. Plaintiffs have no adequate remedy at law because each Defendant refuses to cease their material breaches of express terms in the Franchise Agreements and other tortious conduct.
- 161. Gorosave and Garcia waived any requirement that Plaintiffs post bond in Section 10(h) of the Franchise Agreements.
- 162. The injury to Plaintiffs outweighs any injury that would be sustained by Defendants collectively, and each of them, as a result of the requested injunctive relief.
  - 163. Injunctive relief will not adversely affect the public interest.
- 164. Defendants have been or are being served with notice of this application for injunctive relief.

### **COUNT IX**

### Request for Permanent Injunction Against Defendants

165. Plaintiffs incorporate herein by reference the preceding Paragraphs as if set forth herein verbatim.

- 166. After a trial on the merits or a final judgment, Plaintiffs ask the Court to convert any preliminary injunction as specified above into a permanent injunction.
  - 167. Plaintiffs have joined all indispensable parties pursuant to Fed. R. Civ. 19.

### **PRAYER FOR RELIEF**

WHEREFORE, Liberty prays for judgment against Defendants as follows:

- 1. For the following injunctive relief:
  - A. Enjoin Defendants from continuing to operate a tax preparation business out of the Franchise Location;
  - B. Enjoin Defendants from using the telephone number of the former Franchised Business.
  - C. Enjoin Gorosave and Garcia from preparing or electronically filing income tax returns and offering Financial Products within the Territory or within twenty-five miles of the Territory set forth in the Franchise Agreement;
  - D. Enjoin Gorosave and Garcia from providing tax preparation services to any customers served by the former Franchised Business between November 13, 2014 and July 11, 2019;
  - E. Enjoin Defendants from using any confidential information from manuals or system provided by Plaintiffs;
  - F. Order Defendants to remove any reference to being a former franchisee of Plaintiffs and any links to Plaintiffs or the former franchisee;
  - G. Order Gorosave and Garcia to return to Plaintiffs, at their own expense, all printed materials provided by Plaintiffs to Gorosave and Garcia, including, without limitation, all manuals, customer lists, advertising material, stationery and printed forms and all other matters relating to the operation of the Franchises and/or bearing the Marks;
  - H. Order Gorosave and Garcia to deliver to Plaintiffs, at their own expense, any original and all copies, including electronic copies and media, of lists and other sources of information containing the names, addresses, e-mail addresses, or phone numbers of customers who patronized the Franchised Business, and any original and all copies, including electronic copies and media, containing customer tax returns, files, and records; and
  - I. Order Gorosave and Garcia to transfer the telephone number for the former Franchised Business to Plaintiffs.

- 2. For a monetary award against Defendants in excess of \$75,000 to be proven at trial, including, but not limited to, compensatory damages, expectancy damages, punitive damages, and disgorgement of profits;
- 3. For a monetary award against Defendants for Plaintffs' attorneys' fees and costs, in an amount to be proven at trial;
  - 4. For pre- and post-judgment interest; and
  - 5. For such other relief as the Court deems just and appropriate.

Dated: November 15, 2021 Respectfully submitted,

### GORDON REES SCULLY MANSUKHANI, LLP

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# EXHIBIT

A



FRANCHISE AGREEMENT

**EXHIBIT B** 

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#### 1. GRANT OF FRANCHISE

Liberty Tax Service ("Liberty," "Liberty Tax") has developed a system for the operation of tax return preparation offices. The Liberty system utilizes special marketing techniques and operating procedures to facilitate the provision of tax return preparation and related services.

You, meaning the Franchisee and all Signators identified on the signature page to this Agreement, in your personal capacity, have applied for a franchise that utilizes Liberty's system and Liberty's trade names, service marks, and trademarks (collectively, the "Marks") ("Franchised Business" or "Franchise"). Subject to the terms of this franchise agreement ("Agreement"), Liberty grants to you a Liberty Tax Service franchise. This Agreement will allow you to operate a tax return preparation business using Liberty's system and Liberty's Marks within the Territory described on Schedule A. You agree to abide by the terms of this Agreement.

You recognize and agree that the nature of the tax return preparation business is such that complete uniformity is not always practical or desirable and that Liberty, in Liberty's sole discretion, may vary the terms of this Agreement and the standards of operation of the Franchised Business to accommodate the peculiarities of a particular situation and/or Territory. You have no recourse against Liberty if other franchisees are granted allowances which you are not granted.

#### 2. TERM, RENEWAL AND BUYBACK

- **a.** Term. This Agreement will be effective for a five-year term beginning on the Effective Date specified in this Agreement.
- b. Renewal. You may renew for another five-year term by signing Liberty's then current franchise agreement if you have met the Target Volume specified in paragraph 6.f. and are otherwise in compliance with this Agreement. You may also renew future franchise agreements if you are in compliance with the agreements and meet the other conditions therein for renewal by signing Liberty's then current franchise agreement. To renew, you must exercise a general release of all claims that you might have against Liberty. Liberty may not raise royalties or advertising fees that you pay to Liberty upon any future renewal, nor impose a renewal fee, or change the boundaries of your Territory or the level and type of territorial exclusivity and territorial rights you have. Other terms and conditions may vary. If you wish to renew, you must notify Liberty in writing at least 180 days before the expiration of this Agreement.
- c. Buyback. Any year between May 1 and August 31, Liberty has the right, in Liberty's sole discretion, to purchase your Franchised Business for the greater of \$150,000 or 200% of Gross Receipts of the Territory for the previous twelve months, or such shorter time as an office in the Territory may have been in operation. You understand that this is a premium price above fair value and does not vest any rights in you. The term "Gross Receipts" as used in this Agreement means all revenue from all services and products offered by the Franchised Business (including, but not limited to, revenue from individual, corporate, estate and partnership tax returns), excluding only customer discounts, any Transmitter, Software or Electronic Filing Fee (as described in paragraph 4.e. below), and sales tax, but not service fees for credit card transactions.

#### 3. TERRITORY

Your Territory is described in Schedule A of this Agreement ("Territory"). You may operate as many tax return preparation offices in the Territory as you determine to be appropriate.

You may not operate outside your Territory. Liberty may grant franchises for areas outside your Territory or operate company offices in such areas. Except as described below, Liberty may not establish franchised or company owned outlets or other channels of distribution of similar products or services in your Territory. Liberty may grant franchises in your Territory which operate a different line of business. Liberty may distribute Liberty tax return preparation products and services by means other than retail or storefront locations in your Territory, including the sale of gift cards for this service. No other franchisee using the Marks granted hereunder may operate a tax return preparation office in your Territory. Liberty may advertise in your Territory. You may not advertise in areas outside your Territory, or in media which extend outside your Territory, without Liberty's expressed written approval.

If you locate an office outside your Territory as a result of incorrect address information from a landlord or otherwise, even if Liberty approved such site location, you agree upon discovery of such error to promptly abandon such office and refrain from any further targeted solicitation (e.g., direct mail, telephone call, etc.) of customers residing in the territory containing the misplaced office. Likewise, if Liberty learns that Liberty or another franchisee has erroneously located an office in your Territory, you agree to accept the abandonment of such office and that franchisee's refrainment of further targeted solicitation of customers located in your Territory, in full satisfaction of any claim against Liberty, Liberty's past and present employees, and Liberty's past and present franchisees, in relation to the misplaced office. Liberty has a reasonable time to correct any such error after Liberty learns of it. No person or entity is a third-party beneficiary of this paragraph.

Liberty may negotiate agreements with national or regional retail businesses. If there is an outlet of such a national or regional business in your Territory that is subject to such an agreement, you may choose to operate a tax return preparation service office in that outlet by communicating that decision to Liberty by December 1 before a given Tax Season, or such earlier date provided by Liberty in order to meet the requirements of that business. If you choose not to operate in an outlet which exists in your Territory, Liberty may operate in that outlet in your Territory. If Liberty does so, all associated revenue and expenses are Liberty's, along with the future right to service the customers associated with that outlet.

#### 4. FEES AND PAYMENTS

- a. Initial and Resale Franchise Fee. The initial franchise fee and resale franchise fees are \$40,000. The resale franchise fee applies to a territory that has been previously sold. If a territory includes existing operations, the total cost will vary depending upon the Gross Receipts of the Territory and other pertinent market and economic factors.
- b. Down Payment and Approval. You must submit a minimum of 20% of the initial or resale franchise fee as a deposit after you have held the Liberty Franchise Disclosure Document for at least fourteen (14) calendar days. Liberty will refund this deposit to you upon your request at any time before you attend Effective Operations Training ("EOT"). Except as to any portion which is financed, you must submit to Liberty the balance due before attending EOT. Liberty will refund to you the initial or resale franchise fee (including deposit) if Liberty does not approve your application or if you do not pass Liberty's EOT in accordance with Liberty's current passing standards for EOT, provided that you return to Liberty all materials which Liberty distributed to you during EOT. Otherwise, the initial and resale franchise fee is fully earned and nonrefundable when both you and Liberty execute this Agreement.

c. Reverse Royalty. To the extent that Liberty receives tax preparation fees from individuals located in your Territory during such time as you have a Liberty Tax Service office open in your Territory, from the use of Liberty's online tax preparation services, Liberty agrees to use commercially reasonable means to track and identify those revenues and pay or credit to you 14% of those tax preparation fees. Liberty has up to 60 days after the end of each Tax Season to pay or credit, at Liberty's discretion, monies to you.

#### d. Royalties.

- (i) You must pay a royalty of 14% of Gross Receipts subject to the following minimums:
  - (a) For the period ending April 30 following the Effective Date of this Agreement ("Year One"), if you operated or were required to have operated an office in the Territory for any part of Tax Season ending in that April, minimum royalty is \$5,000 per Territory.
  - (b) For the period beginning May 1 following the Effective Date of this Agreement through the following April 30 ("Year Two"), minimum royalty is \$8,000 per Territory.
  - (c) Thereafter ("Year Three" and beyond), minimum royalty is \$11,000 per Territory, for each successive period beginning May 1 through the following April 30.
- (ii) For a developed Territory, meaning one that contains or that had in the most recent Tax Season, an existing company, franchisee or other Liberty tax preparation office, you must pay royalties as set forth above depending upon how long any office has been operated in the Territory. For example, if an office has been operated in the Territory through one Tax Season, then that Territory would be subject to Year Two royalties for the year during which you first operate in the Territory. The term "Tax Season" means the time period January 2 April 30. An office includes, but is not limited to, locations such as kiosks or temporary locations where tax return preparation services are provided.
- (iii) If you are in or become part of an area covered by an Area Developer, Liberty may pay to the Area Developer a portion of the initial franchisee fee and royalties that you pay to Liberty.
  - e. Advertising Fee. You must pay an advertising fee of 5% of the Gross Receipts each month.
- **f. Payment Period.** You must pay the royalty owed by the 5th of each month based on Gross Receipts for the preceding month, and any balance owed to achieve Minimum Royalty on May 5 for each fiscal year ending April 30. You must pay advertising fees by the 5<sup>th</sup> of each month based on Gross Receipts for the preceding month. Liberty reserves the right to modify this payment schedule in Liberty's Operations Manual.
- g. Interest. You must pay interest of 18% (compounded daily) per year, or the maximum permitted by law, if less, on any amounts owed to Liberty that are more than fifteen (15) days past due.
- h. Transfer Fee. If you transfer your Franchised Business, or a majority ownership interest in it, you must pay Liberty a transfer fee of \$5,000 at the time of transfer. This fee is subject to increase or decrease in future franchise agreements by the amount of change in the Consumer Price Index All Urban Consumers, published by the U.S. Department of Labor, or a reasonably similar successor index, from the index as of the Effective Date.

- i. Customer Refunds, Penalty and Interest, Send a Friend. If you do not resolve a customer service complaint or pay penalty and interest on an erroneous return prepared in your office, or misdeliver a customer check, or fail to pay a Send a Friend or E-Send a Friend referral, and the customer contacts Liberty, if Liberty believes a reasonable basis for the complaint, payment of penalty and interest, or payment of the Send a Friend referral exists, Liberty may issue a refund of fees paid by the customer, pay to the customer the penalty and interest or amount of misdelivered check, or pay the Send a Friend referral, and bill you. You agree to pay the charges. Your obligation to pay penalty and interest for tax return preparation errors made by you continues after the expiration or termination of this Agreement or sale of the Franchised Business.
- **j.** Automatic payment transfer. All of the tax preparation, transmitter, software, and electronic filing fees, and any rebates that you receive from Financial Products or customers who purchase Financial Products, shall initially be paid to Libety. From these fees and any rebates, Liberty will deduct monies that you owe to Liberty and deduct and hold monies to apply to upcoming amounts due to Liberty, and remit the balance to you.
- **k.** Sales or Gross Receipts Tax. If required by the state or locality in which your Territory is located, the initial franchise fee, royalties, and advertising fees will be subject to sales or gross receipts tax, which you must pay to Liberty at the same time and in the same manner as you pay these royalties and fees to Liberty.
- 1. Transmitter, Software, or Electronic Filing Fee. Liberty reserves the right to impose a fee charged to you or customers related to transmission of Financial Products, the provision of software, or the electronic filing of tax returns and, if charged to customers, may rebate a portion of the fee to you. Liberty may vary the dollar amount of the fee and may change its name. Any such fee is not included in your Gross Receipts.
- m. Call Center. If you elect to use Liberty's Call Center to handle customer appointments, customer follow up, Tax School calls, or other calls, you must pay to Liberty a fee for each such call pursuant to Liberty's schedule of Call Center charges which Liberty adopts from time to time.
- n. Cash in a Flash Financing Set up Fee. If you elect to apply for Cash in a Flash financing through Liberty, you must pay to Liberty any set up fee that Liberty imposes pursuant to Liberty's schedule of fees which Liberty adopts from time to time.
- o. Assessment Related to Understatement of Revenues. Pursuant to the Reports and Review rights and obligations specified in section 7 of this Agreement, if Liberty determines that you are underreporting Gross Receipts, you must pay to Liberty the additional royalties on the undisclosed amount, and if the excess so disclosed following a review is more than two percent (2%) of the Gross Receipts for the period in question, you must also pay the costs of the review, as determined by Liberty. If such a review is the result of your failure to maintain and/or provide records as required in section 7, you must pay all costs of the review, regardless of the result of such review. Liberty's acceptance of payments of royalties or Gross Receipts reports shall be without prejudice and shall in no case constitute a waiver of Liberty's rights to claim any delinquent royalties, or to require a review of your books of accounts and records, as provided for herein.

#### 5. OBLIGATIONS OF FRANCHISOR

a. Training. Liberty provides for new franchisees a required five (5) day or longer EOT and a required one (1) day Hands on Training ("HOT") taught by an existing franchisee at their Liberty Tax

office. Liberty does not charge for EOT or HOT but you are responsible for all expenses you incur as a result of training, such as travel, lodging and meals.

- **b. Operations Manual.** Liberty will loan you a copy of Liberty's Operations Manual ("Manual") to offer guidance in the operation of your Franchised Business.
- c. Site Selection. Liberty provides guidance and advice to you regarding the selection of the location of your office(s). You may not sign a lease or locate an office until Liberty approves the location of your office. Liberty's approval of the location of a site is not a guarantee of success in that location or a warranty or assurance as to any aspect of the office or its location.
- d. Advertising and Marketing. Liberty raises fees related to marketing through the advertising fees paid under Liberty's franchise agreements. Liberty will contribute advertising fees from company offices. Liberty disburses advertising fees to develop, produce, distribute and/or conduct advertising programs, marketing programs, public relations, and marketing research. Liberty spends advertising fees on a national, regional or local basis for television, electronic, radio and print advertising as Liberty determines to be appropriate. Liberty may produce advertising in-house and/or through an advertising agency. Liberty pays all costs of such activities, including a share of corporate overhead related to advertising and marketing, with advertising fees. You may also use your own advertising material, provided that Liberty first approves it for compliance with Liberty's specifications for advertising and use of Liberty's Marks.
  - e. Software. Liberty provides tax return preparation software.
- f. Tax and Technical Support. Liberty provides reasonable telephone and/or internet support for your questions regarding federal and state individual income tax return preparation, electronic filing, and the use of software specified by Liberty. However, Liberty will not provide support on any equipment which does not meet Liberty's then current specifications or which relates to the operating system of a computer.
- g. Electronic Filing. Liberty provides the ability to file individual federal and some state tax returns, electronically, provided that such method of filing is reasonably available from the respective taxing authority. You must have a valid Electronic Filing Identification Number ("EFIN") to take advantage of electronic filing.
- h. Financial Products. If reasonably available and feasible (in Liberty's sole determination), Liberty will offer a refund-based loan program and/or a means for customers to obtain a quicker refund using electronic filing (collectively "Financial Products"). Your participation in Financial Products, if Liberty offers them, is subject to a mutual agreement being reached between you, Liberty and the Financial Products Provider.
- i. Operational Support. Liberty advises you in the budgeting for and operation of your Franchised Business.
- j. Advanced and Update Training and Conference Calls. Liberty provides and may require your attendance at Advanced Training for experienced franchisees, and provide and do require attendance by all franchisees at Update Training. Liberty may offer Advanced and Update Training at various sites which Liberty selects across the country, or Liberty may offer such training on the web or electronically. The agenda for Advanced Training varies but often focuses on improving business management skills in order to increase profitability. Liberty does not charge for Advanced or Update Training, but you are responsible for all expenses that you incur as a result of attending training, such

as travel, lodging and meals. Liberty may also require that you attend a reasonable number of toll free conference calls held from time to time to learn the latest operational and marketing tips. Such calls may either be attended live or by way of an online replay.

- **k.** Supply Source. Liberty will offer for sale or locate a source for purchasing supplies, forms and equipment, from time to time, that may be necessary to conduct the Franchised Business, as reasonably determined by Liberty.
- l. Leasing. Liberty may make arrangements to refer you to a company which offers leasing of furniture, fixtures, signs, equipment, and possibly franchise fees and working capital. The leasing program, if offered, will be financed and administered by a third party. Liberty cannot guarantee that you will be offered leasing, as the leasing company will make individual determinations.
- m. Financing. Liberty may, in Liberty's sole discretion, provide financing for a portion of the initial franchise fee or other costs associated with the Franchised Business. The terms of such financing are subject to change. You must be in compliance with this Agreement to qualify for any such financing. Further, if Liberty provides financing to you, you agree to submit monthly financial information to Liberty, such as an income statement, balance sheet, and supporting documents, as Liberty specifies from time to time and in the formats Liberty provides.
- n. Group Discounts. From time to time Liberty may provide you with the opportunity to participate in group purchasing programs which offer group discounts. The discounts and terms for any such opportunities will vary.
- o. Area Developers. In those areas where Liberty presently or in the future uses an Area Developer, Liberty reserves the right to delegate some portion of the responsibility for the following duties to the Area Developer: site selection assistance, limited marketing assistance, and operating assistance. However, Area Developers do not have any authority to approve advertising or marketing material of any kind.

#### 6. OBLIGATIONS OF FRANCHISEE

a. Training. You must attend and successfully complete Liberty's EOT and HOT before you may operate a Liberty office. Liberty may allow or require a general manager to attend on your behalf.

#### b. Use of Liberty Marks.

- (i) Liberty allows you to use Liberty's Marks. Liberty allows you to use Liberty's Marks under which to hold out your Liberty Tax Service business to the public. You agree to exclusively use Liberty's Marks as Liberty develops them for this purpose only.
- (ii) You must obtain prior advertising approval. You must either use pre-approved advertising templates which Liberty or Liberty's approved vendors provide, or you must obtain Liberty's prior written consent before using the Marks in any way and before using any marketing or promotional material, including internet advertising.
- (iii) No private website allowed. You may not have a website for your Franchised Business without Liberty's prior written approval.

- (iv) Marketing to National Companies. You must obtain written permission from Liberty before marketing on the premises (building and parking lot) of any national company. National companies include, by way of example, Wal-Mart, Kmart, and Sears.
- (v) No use of "Liberty" within a company name. You may not use the word "Liberty" or "Libtax" as any part of the name of a corporation, LLC or other entity. However, "Liberty Tax Service" followed by your entity number shall be your "doing business as" name for an entity which owns this franchise, sometimes also called your "assumed name," "trading as" name, or "fictitious name."
- (vi) No confusingly similar marks. You agree not to use any marks which could be confused with the Marks.
- (vii) Liberty may update or change Liberty's Marks. Liberty may replace, modify or add to the Marks. If Liberty replaces, modifies or adds additional marks, you agree to update or replace your signs, supplies, etc., to reflect the new marks, at your expense, in the time frame Liberty provides at the time of such an update. Liberty will not change exterior signage requirements, although Liberty may change options or recommendations, more than once every four (4) years, at the most, absent a legal requirement to do so.
- c. Signs. You must display an exterior lighted sign as approved by Liberty at each of your offices. Liberty must approve all your signs before you order or display them.
- d. Starting Date. For an undeveloped Territory, meaning one that has not contained or had in the most recent Tax Season, an existing company, franchisee or other Liberty tax preparation office, you agree to begin operation and be open for business no later than the January 8 following the Effective Date of this Agreement and agree to be open for business no later than the January 2 for each year thereafter. For a developed Territory, meaning one that contains or that had in the most recent Tax Season, an existing company, franchisee or other Liberty tax preparation office, you agree to begin operations and be open for business no later than the January 2 following the Effective Date of this Agreement and for every year thereafter.
- e. Operating Hours. You agree to exercise your best efforts to promote the Franchised Business and agree, at a minimum, to be open for business during the hours that Liberty specifies from time to time in the Operations Manual.
- **f. Target Volume.** You must use your best efforts to promote the Franchised Business. Beginning in your fifth (5<sup>th</sup>) Tax Season and during each Tax Season after your fifth (5<sup>th</sup>) Tax Season, you must prepare at least 1000 federal income tax returns in your Territory (the "Target Volume").
- g. Software. You must use the software that Liberty provides. You may not use or have installed on computers used in the Franchised Business any other federal or state personal income tax return preparation or electronic filing software without Liberty's prior written consent.
- h. Telephone Number and Email Account. You must obtain and maintain a Liberty Tax Service telephone number, used solely to transact the Franchised Business, and must maintain a white and yellow page telephone number listing, and may be required to purchase a yellow page advertisement and/or contribute to a group listing or advertisement per Liberty's recommendations. You must provide for and maintain an email account sufficient for communications between you and Liberty.

- i. Equipment. You must obtain and use a computer system which meets Liberty's then current specifications. All work stations, including tax return preparation and processing computers, must be purchased from Liberty's approved vendor and must also meet Liberty's then current specifications. Liberty may update the specifications. When the specifications are updated, you must update or upgrade the computer system, at your sole cost, to meet Liberty's then-current standards and specifications. Specifications will not be updated during a Tax Season except upon an emergency, as reasonably determined by Liberty.
- **j.** Insurance. During the term of this Agreement, you must procure and maintain an insurance policy or policies with at least the following coverage, or such other coverage as may be specified in the Operations Manual:

Comprehensive General Liability Worker's Compensation

\$1 million per office as required by your state law

You must name Liberty as an additional insured on these policies.

- **k.** Electronic Filing. If Liberty provides or recommends a source for electronically filing tax returns, you are required to offer Electronic Filing and to use this source exclusively for all electronic filing.
- **l.** Financial Products. In the event that Liberty negotiates an agreement with a third party Provider to allow you to offer Financial Products, you are required to exclusively use such Providers as Liberty designates and to offer Financial Products to your customers.
- m. Operations Manual. You acknowledge the importance of consistency of quality, service and operation among all Liberty Tax franchised offices and, therefore, agree to operate the Franchised Business in conformity with all standards to be maintained, techniques and operating procedures as Liberty may from time to time prescribe in Liberty's manuals or otherwise in writing, and to refrain from deviating therefrom without Liberty's prior written consent. Liberty will loan you a copy of the Manual and provide you with other relevant manuals. Liberty may modify the Manual or any other manual, in order to adjust for competitive changes, technological advancements, legal requirements and attempts to improve in the marketplace. You agree to operate the Franchised Business according to the then current manuals including, but not limited to, the Operating Manual, as may be updated or supplemented by memoranda, bulletin, email or other similar mechanism that together with the Operating Manual, contain the mandatory and suggested procedures and specifications that are prescribed for the Franchised Business.
- n. Participation. You agree that the services of the Franchised Business will be provided under your direct supervision and control and/or under the direct supervision and control of a full-time general manager who has been approved by, and not later disapproved by Liberty. Liberty will not approve a general manager prior to their successful completion of EOT.
- o. Return Check. You must prepare each income tax return accurately and in accordance with federal, state and local laws. You must check each return thoroughly.

#### p. Tax School.

(i) If you complete EOT before September 1 of the year of the Effective Date of this Agreement, and in any event during every year after your first (1st)Tax Season, you must conduct an

intensive 6 to 10 week tax course in the period of September through December in accordance with the specifications in the Manual.

- (ii) You must also conduct a one-week tax course during every January, including the January of your first (1<sup>st</sup>) Tax Season, in accordance with the specifications in the Manual.
- **q. Employee Training.** You shall conduct and require each of your employees to attend an employee policy and procedure training course as specified by Liberty. You are solely responsible for hiring, firing, compensating, paying applicable payroll taxes and day to day supervision and control over your employees.
- r. Customer Service. You shall employ and train sufficient personnel to accommodate all customers without undue delay. You shall provide all services and abide by all customer service policies described in the Manual, including, but not limited to, the money back guarantee. You must operate in a manner that protects the goodwill, reputation and Marks of the Franchised Business.
- s. Office Condition. You shall maintain offices that are neat and professional in appearance. Further, you may not offer products or services through your Liberty offices other than the franchise services authorized here (i.e., tax preparation, electronic filing, and Financial Products, all processed and reported through Liberty's systems) without Liberty's prior written approval.
- t. Supplies and Furniture. You agree that in order to establish a standard and consistent delivery of Liberty Tax services, certain items must be used in the operation of the Franchised Business. You must use the items set forth as required in the Manual (e.g., client envelopes and folders, interview worksheets, interior sign sets). You are responsible for the cost of all supplies, furniture, equipment, leasing and real estate costs, and other items needed to conduct the Franchised Business.
- u. Laws and Regulations. You agree to comply with all federal, state and local laws and regulations. You will secure all necessary permits, certificates, licenses and consents to operate your business.
- v. IRS Audit. If the IRS audits your Liberty Tax operations, or investigates or otherwise requires the provision to the IRS of documents related to the Franchised Business, you agree to notify Liberty promptly upon receiving notice of the audit or investigation or request for documents, and share the IRS findings with Liberty.
- w. EFIN. You must obtain by January 2 of your first Tax Season and maintain throughout the entire term of this Agreement, an EFIN from the IRS. You hereby authorize the IRS and any state tax authority to disclose to Liberty the reasons for any EFIN denial or suspension and to provide Liberty with copies of all EFIN application materials, suspension and denial notices.

#### 7. REPORTS AND REVIEW

- a. Gross Receipt Report. You must send Liberty a Gross Receipt report in the manner and form and at the times Liberty specifies. Presently, you must report your Gross Receipts on the 5th of the month for Gross Receipts received during the prior month.
- **b. Profit and Loss.** By May 30 of each year, you must send Liberty an unaudited profit and loss statement of the Franchised Business, in the manner and form Liberty specifies, for the twelve (12) month period ending April 30.

- c. Review. You agree to permit Liberty and/or Liberty's agents the right to enter your Liberty Tax offices during normal business hours, without prior notice, and inspect your operations and inspect and copy all of your paper and electronic business records related to the Franchised Business and any other operations taking place at your Franchised Business. This includes, but is not limited to, the right to inspect and copy all tax returns and bank statements which may be indicative of revenues from the Franchised Business. Liberty also has the right to require that you implement a plan to resolve issues that Liberty discerns from any review Liberty conducts.
- d. Mail Reviews. If Liberty requests a copy of your customer receipts (paper and/or electronic) or any other business records, including, but not limited to customer taxpayer records related to the Franchised Business, you must send Liberty, at your expense, these records within five (5) days of receiving Liberty's request.
- e. Electronic Review. Liberty may cause programs to run on your computer systems that may send information to Liberty. Liberty agrees that the use of such programs will not unreasonably interfere with your operation of the Franchised Business and you agree to allow such programs to run without interference by you. You hereby grant Liberty the right to access the computer systems in your office and authorize Liberty to obtain any and all information related to the Franchised Business. You acknowledge that Liberty will use information obtained from your computer system to make business decisions.
- **f.** Background Information. You authorize Liberty to obtain background information relating to your employment, credit and financial history and criminal and driving records during the term of this Agreement.

#### 8. TERMINATION

- **a.** You may terminate this Agreement by not renewing; that is by not notifying Liberty in writing of your desire to renew at least one hundred eighty (180) days prior to the expiration of this Agreement. If you terminate pursuant to this paragraph, you must still comply with all of the post termination provisions of this Agreement.
- **b.** Liberty may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:
  - (i) If you become insolvent, are unable to pay debts as they come due or take any steps to seek protection from creditors, or if a receiver (permanent or temporary) is appointed by a creditor or a court of competent authority or if you make a general assignment for the benefit of creditors;
  - (ii) If a final judgment of record against you or your Franchised Business remains unsatisfied for thirty (30) days or longer;
  - (iii) If you commit a financial crime, a crime of moral turpitude, a crime that is injurious to the Franchise, or a violation of any law, ordinance, rule or regulation of a governmental agency or department reasonably associated with the operation of the Franchised Business that Liberty deems to be material, or if you commit any act, whether or not associated with the Franchised Business, that in Liberty's opinion, may injure the goodwill, reputation and/or Marks of the Franchise;

- (iv) If you abandon the Franchised Business or discontinue the active operation of the Franchised Business for three (3) business days during any Tax Season or seven (7) business days otherwise, except this ground for termination may not be invoked when active operation is not reasonably possible, such as when severe weather is present;
- (v) If you fail to open for business in the Territory by January 2 or January 8, as specified pursuant to paragraph 6.d., of any year;
- (vi) If you operate any offices or advertise outside the Territory without Liberty's permission;
- (vii) If you fail to meet the Target Volume specified in paragraph 6.f. above in the Territory during your fifth (5<sup>th</sup>) Tax Season or in any Tax Season thereafter;
- (viii) If you fail to use the software, electronic filing services or Financial Products Liberty provides or recommends;
- (ix) If you do not obtain an EFIN from the IRS for each office in the Territory by January 2 of your first Tax Season or if any of such EFINs are suspended for any reason at any time thereafter;
- (x) If you include a materially false representation or omission of fact in your Confidential Franchise Application to Liberty or if you under-report Gross Receipts, falsify financial data, make a false submission with regard to any required reports or otherwise commit an act of fraud with respect to your acquisition or operation of the Franchised Business or your rights or obligations under this Agreement;
- (xi) If you commit three (3) or more breaches of this Agreement, the Operations Manual, or any other agreement (including promissory notes) with Liberty, in any twelve (12) month period regardless of whether such breaches were cured after notice; or
- (xii) If you fail to notify Liberty of your desire to renew within the time and manner provided for in section 2 of this Agreement.
- c. No fewer than seven (7) days after Liberty has sent you notice of your opportunity to cure, Liberty may terminate this Agreement if:
  - (i) You violate any other term or condition of this Agreement, the Operations Manual, or any other agreement with Liberty;
  - (ii) Any amount owing to Liberty, whether related to the Territory or not, is more than thirty (30) days past due;
  - (iii) You fail to comply with IRS standards applicable to e-file providers as stated in IRS Publication 1345 or another or successor IRS publication applicable to e-file providers; or
  - (iv) You are more than sixty (60) days in default of any loan, lease or sublease agreement with a third party, affecting the Franchised Business.

#### 9. POST-TERMINATION OBLIGATIONS

If this Agreement expires, is not renewed or is terminated for any reason by any party, including a sale of the Franchised Business, you must immediately:

- **a.** Sell to Liberty (if Liberty elects pursuant to section 11) any or all equipment, signs, trade fixtures, and furnishings used in the Franchised Business, or if Liberty does not so elect, remove all Marks or other distinguishing indicia from all of your offices and other premises; and
- **b.** Stop identifying yourself as a Liberty Tax franchisee, never hold out as a former Liberty Tax franchisee and cease, and not thereafter commence, use of any of the Marks or any marks which are likely to be confused with the Marks; and
- c. Stop using all literature and forms received from Liberty and other items bearing the Marks; and
  - d. Pay to Liberty all amounts owing to Liberty, whether related to the Territory or not; and
- e. Transfer to Liberty all telephone numbers, listings and advertisements used in relation to the Franchised Business and deliver to Liberty copies of such documents of transfer; and
- f. Assign to Liberty (if Liberty elects), and upon lessor's consent, any interest that you have in any lease, sublease or any other agreement related to the Franchised Business; and
- g. Deliver to Liberty any original and all copies, including electronic copies and media, of lists and other sources of information containing the names, addresses, e-mail addresses, or phone numbers of customers who patronized the Franchised Business; and
- h. Deliver to Liberty any original and all copies, including electronic copies and media, containing customer tax returns, files, and records; and
  - i. Deliver to Liberty the copy of the Operations Manual and any updates which Liberty loaned to you; and
  - j. Cancel all fictitious name listings which you have filed that utilize any of the Marks; and
- **k.** Adhere to the provisions of the post-term covenants not to compete and not to solicit and any other covenant herein that requires performance by you after you are no longer a franchisee.

#### 10. ADDITIONAL IN-TERM AND POST-TERM COVENANTS

- a. In-Term Covenant Not to Compete. During the term of this Agreement, you agree not to directly or indirectly, for a fee or charge, in the United States or Canada, prepare or electronically file income tax returns, or offer Financial Products, except in your capacity as a Liberty Tax Service franchisee using the Liberty Tax Service system to offer such products and services.
- **b. Post-Term Covenant Not to Compete.** For a period of two (2) years following the termination, expiration, transfer or other disposition of the Franchised Business, or your removal as a Signator to this Agreement, you agree not to directly or indirectly, for a fee or charge, prepare or electronically file income tax returns, or offer Financial Products, within the Territory or within twenty-five (25) miles of the boundaries of the Territory.

- c. Liquidated Monetary Damages. If you fail to comply with either of the above covenants not to compete, you agree to pay Liberty, with respect to each Territory for which you are in breach, as partial liquidated monetary damages, royalties and advertising fees as set forth in paragraph 4 of this Agreement against the greater of (1) your Gross Receipts in each Territory in which you are in breach during your last fiscal year (May 1- April 30) of operation as a Liberty franchisee in that Territory; or (2) your revenue received in breach of a covenant not to compete. In either event, you agree that this dollar figure shall be multiplied by two (2) to give consideration to lost, repeat, and referral business to Liberty. The parties further acknowledge that the full measure of damages to Liberty is greater, as such a breach causes Liberty damage to the integrity of Liberty's franchised system, loss of franchisee and customer goodwill and irreparable harm.
- d. Covenant Not to Solicit: You agree that for a period of two (2) years following the termination, expiration, transfer or other disposition of the Franchised Business, or your removal as a Signator to this Agreement, you will not within the Territory or within twenty-five (25) miles of the boundaries of the Territory, directly or indirectly, solicit the patronage of any person or entity served by any of your prior Liberty offices in the last twelve (12) months that you were a Liberty franchisee, or such shorter time as you were a Liberty franchisee, for the purpose of offering such person or entity, for a fee or charge, income tax preparation, electronic filing of tax returns, or Financial Products. You further agree for a period of two (2) years following the termination, expiration, transfer or other disposition of the Franchised Business, or your removal as a Signator to this Agreement, not to employ or solicit for employment any of Liberty's employees or those of any other of Liberty's franchisees, or induce any such employee to leave his or her employ, without Liberty's prior written consent.
- e. Covenant Not to Lease. You agree that during the term of this Agreement, you will not lease, sub-lease, assign or guaranty a lease in the Territory to or for a person or entity who will offer income tax preparation at such an office. You also agree that upon the termination or expiration of this Agreement, if Liberty or a duly authorized Liberty franchisee desires to use any of your former Liberty office locations in the Territory ("Leases"), you will use reasonable good faith efforts to help Liberty secure possession of the Leases through a lease assignment or otherwise. Otherwise, you agree to use reasonable, good faith efforts to ensure that, for a twenty-four (24) month period after non-renewal or termination of this Agreement, no person or entity will offer income tax preparation at the properties where your former Liberty offices were located. Such "good faith efforts" include a duty not to sub-lease or assign the Leases to a person or entity who will offer income tax preparation at such Leases.
- f. You agree not to disparage Liberty or its current and former employees or directors. During the term of this Agreement, you also agree not to do any act harmful, prejudicial or injurious to Liberty.
- g. You hereby acknowledge that the qualifications to be a Liberty franchisee are special, unique and extraordinary, and that this Agreement would not be entered into by Liberty except upon condition that the covenants contained in this section 10 be embodied herein.
- h. You acknowledge and agree that the provisions of this section 10 are reasonable, valid and not contrary to the public interest and you waive all defenses to the strict enforcement thereof. You further agree that Liberty is entitled to a temporary restraining order, preliminary and permanent injunction for any breach of duties under any of the non-monetary obligations of paragraph 9 above or of this Paragraph 10 and that such an order or injunctions shall issue without the posting of any bond by Liberty.
- i. All of the covenants contained in this section 10 shall survive any termination or expiration of this Agreement.

**j.** If any covenant or provision within this section 10 is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision of this Agreement. Further, these obligations are considered independent of any other provision in this Agreement, and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this Agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

#### 11. OPTION TO PURCHASE ASSETS

Upon termination or expiration of this Agreement, you hereby grant Liberty or its assignee the option, exercisable by transmitting notice thereof within thirty (30) days from the effective date of expiration or termination, to purchase from you some or all of the assets (including supplies, equipment, signs, furnishings and fixtures) of the Franchised Business. The purchase price for the assets of the Franchised Business, if Liberty elects to purchase them, will be the "adjusted book value" as determined below provided, however, that Liberty will have the right to set off against and reduce the purchase price by any and all amounts owed by you to Liberty or any of Liberty's affiliates: The "adjusted book value" consists of the book value of the assets of the Franchised Business as disclosed by the balance sheet in the financial statements of the Franchised Business as of the date of the termination or expiration; provided, however, that there shall be no allocation for goodwill or any similar adjustment.

#### 12. CONFIDENTIAL INFORMATION

- a. Disclosure. Liberty possesses confidential information consisting of methods of operation, service and other methods, techniques, formats, specifications, procedures, information, systems, knowledge of and experience in operating and franchising offices, customer information and marketing information (the "Confidential Information"). Liberty will disclose some or all of the Confidential Information to you and your representatives in the Operations Manual and other training manuals Liberty provides, in Liberty's training programs, and in providing guidance and assistance pursuant to this Agreement. During the term of this Agreement and following the expiration or termination of this Agreement, you covenant not to communicate, directly or indirectly, or to divulge to or use for its benefit or the benefit of any other person or legal entity, any Confidential Information, except as Liberty permits in writing. Upon the expiration, termination or nonrenewal of this Agreement, you agree that you will never use or disclose, and will not permit any of your representatives to use or disclose, Liberty's Confidential Information in any manner whatsoever, including, without limitation, in the design, development or operation of any business substantially similar to the Franchised Notwithstanding the foregoing, the obligations in this paragraph will not apply to information: (a) that at the time of disclosure is readily available to the public; (b) that after disclosure becomes readily available to the trade or public other than through breach of this Agreement; (c) that is subsequently lawfully and in good faith obtained by you from an independent third party without breach of this Agreement; (d) that was in your possession prior to the date of disclosure; or (e) which is disclosed to others in accordance with the terms of a prior written authorization between us. The protections granted hereunder shall be in addition to and not in lieu of all other protections for such Confidential Information that may otherwise be afforded by law or in equity.
- **b.** Interest. You will acquire no interest in the Confidential Information other than the right to use it in developing and operating the Franchised Business pursuant to this Agreement. You acknowledge that it would be an unfair method of competition to use or duplicate any Confidential Information other than in connection with the operation of the Franchised Business. No part of the Liberty Tax franchise system nor any document or exhibit forming any part thereof shall be

distributed, utilized or reproduced in any form or by any means, without Liberty's prior written consent.

c. Use. You agree that you will (a) not use the Confidential Information for any purpose other than the operation of the Franchised Business pursuant to this Agreement; (b) maintain absolute confidentiality of the Confidential Information during and after the term of this Agreement; (c) not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (d) adopt and implement all reasonable procedures, including, but not limited to, those Liberty prescribes from time to time, to prevent unauthorized use of or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure to your employees and the use of nondisclosure and non-competition clauses in employment agreements with employees who have access to the Confidential Information.

#### 13. INDEPENDENT CONTRACTOR

You and Liberty are independent contractors to each other. Neither you nor Liberty are an agent, fiduciary, partner, employee, or a participant in a joint venture and neither you nor Liberty have the authority to hold out as such to third parties. You do not have any authority to bind or obligate Liberty. Liberty is not and will not be liable for any act, omission, debt, or other obligation of yours.

You are responsible for all loss or damage and for all contractual liability to third parties originating in or in connection with the operation of the Franchised Business and for all claims or demands for damage directly or indirectly related thereto. You agree to defend, indemnify and hold harmless Liberty and its employees of and from and with respect to any such claim, loss or damage.

#### 14. DEATH OR INCAPACITY

In the event of the death or incapacity of Franchisee, Liberty is entitled, but not required, to render whatever assistance is required to maintain smooth and continued operation of the Franchised Business. Liberty shall be entitled to reimbursement from Franchisee or Franchisee's estate for any reasonable expenditure thus incurred. Death or incapacity shall not of itself be grounds for termination of this Agreement unless either:

- a. Franchisee or his/her legal representative fails for a period of one hundred eighty (180) days after such death or incapacity to commence action to assign this Agreement according to controlling state law regarding the affairs of a deceased or incapacitated person and the terms of this Agreement; or,
  - **b.** Such assignment is not completed within one (1) year after death or incapacity.

If such action or assignment is not timely taken or made as aforesaid, Liberty shall have the right to terminate this Agreement. Further, the terms and conditions of section 15 below apply to a transfer upon death or incapacity.

#### 15. ASSIGNABILITY

Liberty may assign this Agreement to an assignee who agrees to remain bound by its terms. Liberty does not permit a sub-license of the Franchise. Your interest under this Agreement or your ownership in the Franchise may be transferred or assigned only if you comply with the following provisions. No interest may be transferred unless and until you are in full compliance with this Agreement and current in all monies owed to Liberty. Pursuant to Liberty's request, any transfer of an ownership interest in

this Agreement must be joined in by all signatories to this Agreement, except any person who is deceased or under a legal disability.

- a. If you have received and desire to accept a signed, bona fide offer to purchase or otherwise transfer the Franchise or any interest in the Franchisee, you shall grant Liberty the option (the "Right of First Refusal") to purchase such Franchise or interest as hereinafter provided.
- **b.** A transfer to a "Controlled Entity" shall not trigger the Right of First Refusal. A "Controlled Entity" is an entity in which Franchisee is the beneficial owner of 100% of each class of voting ownership interest. At the time of the desired transfer of interest to a Controlled Entity, you must notify Liberty in writing of the name of the Controlled Entity and the name and address of each officer, director, shareholder, member, partner, or similar person and their respective ownership interest. Each such person of the Controlled Entity shall sign the then current amendment and release forms and/or franchise agreement as required by Liberty. Liberty does not charge a transfer fee for this change.
- c. A transfer of interest within a Franchisee which is an entity shall not trigger the Right of First Refusal provided that only the percentage ownership, rather than the identity of the owners, is changing. At the time of the desired transfer of interest within an entity, you must notify Liberty in writing of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest. Each such person of the Controlled Entity shall sign the then current amendment and release forms and/or franchise agreement as required by Liberty. Further, if the transfer of interest results in a majority ownership change, you must pay to Liberty the transfer fee set forth in paragraph 4.h. above.
- d. You shall offer the Right of First Refusal to Liberty by notice in writing, including a copy of the signed offer to purchase which you received ("Notice"). Liberty shall have the right to purchase the Franchise or interest in the Franchise at and for the price and upon the terms set out in the Notice, except that Liberty may substitute cash for any non-cash form of payment proposed and Liberty shall have sixty (60) days after the exercise of Liberty's Right of First Refusal to close the purchase. Should Liberty wish to exercise Liberty's Right of First Refusal, Liberty will notify you in writing within fifteen (15) days from its receipt of the Notice. Upon the giving of such notice by Liberty, there shall immediately arise between Liberty and Franchisee, or its owners, a binding contract of purchase and sale at the price and upon the terms contained in the Notice.
- e. If Liberty does not exercise Liberty's Right of First Refusal, you may transfer the Franchise or ownership interest therein according to the terms set forth in the Notice, provided that you satisfy the conditions of paragraph 15.f. through (i) below and complete the sale within ninety (90) days from the day on which Liberty received the Notice. If you do not conclude the proposed sale transaction within the ninety (90) day period, the Right of First Refusal granted to Liberty hereunder shall continue in full force and effect.
- f. The proposed transferee(s) must complete Liberty's then current Liberty franchise application and pass Liberty's application screening using Liberty's then current qualifications.
- g. The proposed transferee(s) must sign the then current Liberty amendment forms and/or franchise agreement, as required by Liberty, and must personally assume and be bound by all of the terms, covenants and conditions therein.
  - h. The proposed transferee(s) must attend and successfully complete EOT and HOT.

- i. You shall sign Liberty's then current transfer and release forms and pay to Liberty the transfer fee described in paragraph 4.h. above.
- **j.** Except as to approved transfers within the Liberty system as described above, you may not give, transfer or sell all or substantially all of the assets of your Franchised Business during the term of this Agreement, or for a two (2) year period after its expiration or termination, to a person or entity who might be reasonably expected to use any such assets to offer income tax preparation in the Territory or within ten (10) miles of the boundaries of the Territory.

#### 16. NON-WAIVER OF BREACH

The failure of either party hereto to enforce any one or more of the terms or conditions of this Agreement shall not be deemed a waiver of such terms or conditions or of either party's rights thereafter to enforce each and every term and condition of this Agreement.

#### 17. GOVERNING LAW

- a. Virginia Law. This Agreement is effective upon its acceptance in Virginia by Liberty's authorized officer. Virginia law governs all claims which in any way relate to or arise out of this Agreement or any of the dealings of the parties hereto. However, the Virginia Retail Franchising Act does not apply to any claims by or on your behalf if the Territory shown on Schedule A below is outside Virginia.
- b. Jurisdiction and Venue. In any suit brought by Liberty, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, you consent to venue and personal jurisdiction in the state and federal court of the city or county of Liberty's National Office, presently Virginia Beach state courts and the United States District Court in Norfolk, Virginia. In any suit brought against Liberty, including Liberty's present or former employees or agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, venue shall be proper only in the federal court district and division located nearest Liberty's National Office (presently the U.S. District Court in Norfolk, Virginia), or if neither federal subject matter nor diversity jurisdiction exists, in the city or county state court located where Liberty's National Office is (presently the City of Virginia Beach, Virginia).
- c. Jury Waiver. In any trial between any of the parties hereto, including present or former employees or agents of Liberty's, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, you and Liberty agree to waive the rights to a jury trial and instead have such action tried by a judge.
- d. Class Action Waiver. You agree that any claim you may have against Liberty, including Liberty's past or present employees or agents, shall be brought individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against Liberty.
- e. Compensatory Damages. In any lawsuit, dispute or claim between or against any of the parties hereto, including present or former agents or employees of Liberty's, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, you and Liberty agree to waive the rights, if any, to seek or recover punitive damages.
- f. Area Developers. If your Territory is or becomes located in an Area Developer area, you agree not to bring any claim, including a lawsuit, against the Area Developer, or its owners, employees or

independent contractors, except as to a claim unrelated to the Liberty franchise, such as an automobile accident. Area Developers are a third party beneficiary of this clause. Further, you agree that if you breach this clause, you will pay to Liberty and/or the Area Developer all attorney fees and other costs that Liberty and the Area Developer incur to defend the Area Developer in such an action, regardless of who prevails.

**g. Survival.** Any provisions of this Agreement which, by their nature, extend beyond the expiration or termination of this Agreement, shall survive termination or expiration and be fully binding and enforceable as though such termination or expiration had not occurred.

#### 18. MODIFICATION

No modifications to this Agreement will have any effect unless such modification is in writing and signed by you and by Liberty's authorized officer. However, Liberty may modify the provisions of the Manual or manuals, without your consent, as discussed in paragraph 6.m. above.

#### 19. RELEASE OF PRIOR CLAIMS

By executing this Agreement, the undersigned entity, if any, and individuals, on behalf of yourselves and your heirs, legal representatives, successors and assigns, and each assignee of this Agreement, hereby forever release and discharge Liberty, its past and present employees, agents, area developers, officers and directors, including Liberty's parent, subsidiary and affiliated corporations, their respective past and present employees, agents, officers and directors, from any and all claims relating to or arising out of any franchise agreement between the parties executed prior to the date of this Agreement, and all other claims relating to any dealings between any of the parties. However, this release does not apply to Liberty's renewal obligations the same or similar to those in paragraph 2.b. above, as contained in any prior or other franchise agreement.

#### 20. NOTICES

You shall give any notice or request hereunder by mail or courier, postage fully prepaid, delivered personally, or by facsimile, to Liberty's CEO, at Liberty's National Office, presently 1716 Corporate Landing Parkway, Virginia Beach, VA 23454. Telephone: (757) 493-8855 Fax: (800) 880-6432. Liberty may also give any such notice to you in the same manner at the address indicated below the Franchisee's signature on this Agreement, or such other more current address as Liberty may have for you. Liberty may also give notice to you by e-mail.

#### 21. FULL UNDERSTANDING

This Agreement is the entire agreement between you and Liberty. This Agreement supersedes all other prior oral and written agreements and understandings between you and Liberty with respect to the subject matter herein. Nothing in this or in any related agreement, however, is intended to disclaim the representations Liberty made in the franchise disclosure document Liberty furnished to you.

#### 22. ACKNOWLEDGMENTS

You acknowledge that you have read Liberty's franchise disclosure document and this Agreement and that you are familiar with their contents. You acknowledge that you have independently investigated the business offered hereunder and base your decision to purchase solely on such investigation. Except as may be stated in Item 19 of Liberty's Franchise Disclosure Document, you acknowledge that no person is authorized to make and no person has made any representations to you as to the actual,

projected or potential sales, volumes, revenues, profits or success of any Liberty Tax franchise. You further acknowledge and agree that you are not a third party beneficiary to any agreement between Liberty and any other franchisee.

#### 23. GUARANTY

The Franchisee named at the top of the following page agrees to abide by the terms of this Agreement. The signature of an individual or individuals constitutes their personal agreement to such terms. The signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.

In addition, the signatures of all individuals on the following page, in any capacity, also constitute their personal joint and several agreement to perform all the obligations in and relating to this Agreement, including, but not limited to, the obligations stated in section 17 above concerning Governing Law, including but not limited to, the application of Virginia Law, the Jurisdiction and Venue clause, the Jury Waiver, the Class Action Waiver, and the limitation to Compensatory Damages only, the obligation to make payments specified herein, pay any other promissory notes and other debts due to Liberty, and pay for products later ordered from Liberty. All Signators on the following pagewaive any right to presentment, demand or notice of non-performance and the right to require Liberty to proceed against the other Signators.

#### 24. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument.

Franchisee: Nora Garcia & Maribel Gorosave	<b>Entity Number: <u>5205</u></b>
SIGNATORS:	
By: Mua Sarca (Signature)	By: Maubel Gowsene (Signature)
Nora Garcia (Printed Name)	Maribel Gorosave (Printed Name)
Title:	Title:
Address: 1943 Annandale way	Address: 937 Lee Ave
Pomona CA 91767	Callais, CA 92231
Ownership Percentage:%	Ownership Percentage: 99 %
By:(Signature)	By:(Signature)
(Signature)	(Signature)
(Printed Name)	(Printed Name)
Title:	Title:
Address:	Address:
Ownership Percentage:%	Ownership Percentage:%
	JTH TAX, INC. d/b/a LIBERTY TAX SERVICE
	Ву:
	John Hewitt, CEO of Rufe Vanderpool, COO
	Effective Date: \$////3

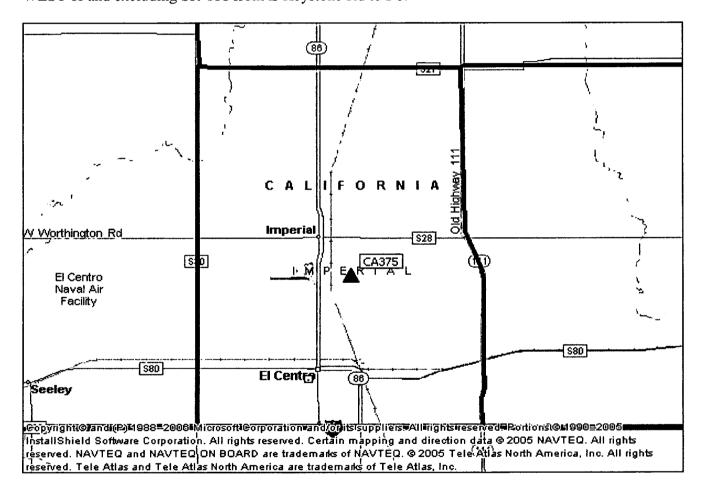
#### SCHEDULE "A" TO THE FRANCHISE AGREEMENT

#### **Territory**

The Franchise Territory\* is as follows:

CA375

NORTH of and including I-8 from SR-111 to Forrester Rd.
EAST of and including Forrester Rd from I-8 to W Keystone Rd
SOUTH of and excluding W Keystone Rd continuing onto SOUTH of and excluding
E Keystone Rd from Forrester Rd to SR-111.
WEST of and excluding SR-111 from E Keystone Rd to I-8.



\*Note: When a Territory description includes a road, avenue, street, parkway, highway, route or similar roadway, the Territory includes the U.S. Postal addresses assigned to either side of the roadway. When a Territory description excludes a road, avenue, street, parkway, highway, route or similar roadway, the Territory excludes the U.S. Postal addresses assigned to either side of such roadway. If a map of the Territory is attached, the map approximates the Territory, but the above legal description controls as to the Territory's precise boundaries.

#### CALIFORNIA RENEWAL AND SPECIFIC RELEASE

Franchisee Name:	Nora Garcia	& Maribel Gorosave	<b>Entity No.: <u>52</u></b> (	05

- 1. Release- Franchisee and all of Franchisee's guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge JTH Tax, Inc. d/b/a Liberty Tax Service, its past and present agents, employees, officers, directors, area developers, successors, assigns and affiliates (collectively "Liberty Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against the Liberty Released Parties or any of them up through and including the date of this Renewal and Release.
- 2. <u>Unknown or Unsuspected Consequences</u>- The parties understand and acknowledge that Sections 1 of this Renewal and Specific Release apply to and included all unknown or unsuspected consequences or results arising from or relating to the transactions, occurrences, or agreements referred to in those Sections. You represent and warrant that you have read the contents of California Civil Code §1542, which provides as follows:

"A general release does not extent to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542

- 3. <u>Nature of Release</u>— Each party acknowledges that it has read this Renewal and Specific Release, that it fully understands the contents of this Renewal and Specific Release, and that THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.
- 4. The above Release shall not apply to any liabilities arising under the California Franchise Investment Law or the California Franchise Relations Act.
- 5. Royalty and Advertising Fee Guarantee- In the event that any franchise agreement which we enter into with you to continue your rights to a franchise territory contain higher royalty or advertising fees than in your original franchise agreement with us for that territory, the royalty and advertising fees in your original franchise agreement shall control.

#### SIGNATURES ON THE FOLLOWING PAGE

Franchisee: Nora Garcia &	JTH Tax, Inc. d/b/a Liberty Tax Service
Maribel Gorosave  By: Maximum  By: Maximum	By:  John Hewitt, CEO or Rufe Vanderpool, COO
Printed Name: Nora Garcia	Date: 5/1/13
Title:	Date. Of The State
By: Marbel Gorace	·
Printed Name: Maribel Gorosave	
Title:	

#### EXHIBIT K RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If JTH Tax, Inc. d/b/a Liberty Tax Service offers you a franchise, we must provide this disclosure document to you at least 14 days before you sign a binding agreement or make a payment to us in connection with the proposed franchise sale or grant.

Rhode Island requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Washington require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit F.

Date of Issuance: February 15, 2013

See Exhibit F for our registered agents authorized to receive service of process.

If a Franchise Broker was involved in this sale, the name, principal business address and telephone number of the Broker follows:

Name of Broker:	 	
Broker Telephone Number:	 _	
Broker Principal Business Address:	 	

I have received a disclosure document dated 2-13 that included the following Exhibits:

- A. State Disclosure Document Addenda (CA, HI, IL, IN, MD, MI, MN, NY, ND, SD, VA)
- B. Franchise Agreement and State Franchise Agreement Addenda (IL, IN, MD, MN, ND, RI, SD, VA, WA, WI)
- C. Promissory Notes
- D-1. JTH Financial, LLC Program Services Agreement and SBBT Financial Services Agreements
- D-2. Libtax Software License Agreement
- D-3. Walmart Kiosk Stipulation and Agreement, K-Mart, Ace, and Sears Management Commitment Forms
- D-4. Renewal & Release forms
- D-5. Confidentiality Agreement
- D-6. Franchisee Card Program Agreement
- E. Purchase and Sale Agreements
- F. List of State Administrators and Registered Agents

- · G. List of Current Franchisees and List of Franchisees Who Had an Outlet Terminated, Cancelled, Not Renewed or Otherwise Ceased to Do Business
- H. Financial Statements and Guarantee of Performance
- I. Table of Contents of Operations Manual and Confidentiality Agreement
- J. Franchisee Organizations We Have Created, Sponsored or Endorsed
- K. Receipt

March 15, 2013	PROSPECTIVE FRANCHISEE:
Date you received this Disclosure Document  If an individual:	If a business entity:
Mora Marcia	Name of Business Entity
By: Signature	Signature
Nora Garcia Printed Name	Printed Name/Title
Nora Garcia Printed Name  1943 Annandale Way  Address  Pomona, CA. 91767	Address
(626) 674-6480 (Telephone number)	(Telephone number)
By: Martel Lorone Signature	Signature
Maribel Gorosave Printed Name	Printed Name/Title
937 Lee Ave 'Address' Calcuca CA 92231	Address
626-482-9168 (Telephone number)	(Telephone number)

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### Franchise Agreement Renewal: (no title)

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Territory ID*	CA375 Enter Territory ID	
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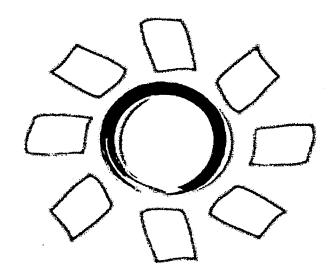
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Closed Docs to Zee Date	
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Renewal *	Renewal ·
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Created at 9/18/2012 1:03 PM by Liza Malinis ♥ Last modified at 2/22/2013 4:36 PM by Caroline Decesare ♥

# EXHIBIT

B

## SiempreTax LLC Franchise Agreement



# Siempre Tax+ soluciones en tu idioma

Exhibit B

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#### 1. GRANT OF FRANCHISE

SiempreTax LLC ("SiempreTax") has developed a system for the operation of tax return preparation offices. The SiempreTax system utilizes special marketing techniques and operating procedures to facilitate the provision of tax return preparation and related services.

You, meaning the franchisee and all signators identified on the signature page to this franchise agreement ("Agreement" or "Franchise Agreement"), in your personal capacity, have applied for a franchise that utilizes the SiempreTax system, trade names, service marks, and trademarks (collectively, the "Marks") ("Franchised Business" or "Franchise"). Subject to the terms of this Agreement, SiempreTax grants to you a SiempreTax franchise. This Agreement will allow you to operate a tax return preparation business using SiempreTax's system and SiempreTax's Marks within the territory described on Schedule A ("Territory"). This agreement shall only grant you a SiempreTax franchise and grants no rights to you associated with any other brand or concept owned and/or operated by JTH Tax, Inc. d/b/a Liberty Tax Service ("Liberty"), JTH Holding, Inc., SiempreTax's partners, affiliates or parent company ("Affiliated Companies"). You agree to abide by the terms of this Agreement.

You recognize and agree that the nature of the tax return preparation business is such that complete uniformity is not always practical or desirable and that SiempreTax, in SiempreTax's sole discretion, may vary the terms of this Agreement and the standards of operation of the Franchised Business to accommodate the peculiarities of a particular situation and/or territory. You have no recourse against SiempreTax if other franchisees are granted allowances that you are not granted.

#### 2. TERM, RENEWAL AND BUYBACK

- a. Term. This Agreement will be effective for a five-year term beginning on the effective date specified on the signature page of this Agreement ("Effective Date").
- b. Renewal. You may renew for another five-year term by signing the then current SiempreTax franchise agreement if you have met the Target Volume specified in Section 6(f) of this Agreement and are otherwise in compliance with this Agreement. You may continue to renew future franchise agreements in this manner if you are in compliance with all agreements between you and SiempreTax. You must execute a general release of all claims that you might have against SiempreTax to renew and SiempreTax's then current Franchise Agreement which may contain materially different terms. SiempreTax may not raise royalties or advertising fees that you pay to SiempreTax upon any future renewal, or impose a renewal fee. Further, SiempreTax may not change the boundaries of your Territory, the level and type of territorial exclusivity or the territorial rights you have. Other terms and conditions may vary. If you wish to renew, you must notify SiempreTax in writing at least 180 days before the expiration of this Agreement.
- c. Buyback. Between May 1 and August 31 of any year, SiempreTax has the right to purchase your Franchised Business for the greater of \$150,000 or 200% of Gross Receipts of the Territory for the previous twelve months, or such shorter time as an office in the Territory may have been in operation. You understand that this is a premium price above fair value and does not vest any rights in you. The term "Gross Receipts" as used in this Agreement means all revenue from all services and

products offered by the Franchised Business (including, but not limited to, revenue from individual, corporate, estate and partnership tax returns), excluding only customer discounts, any transmitter, software or electronic filing fee, and sales tax, but not service fees for credit card transactions.

#### 3. TERRITORY

- Territory Generally. Your Territory is described in Schedule A of this Agreement ("Territory").
- b. General Rights & Restrictions. You may operate as many tax return preparation offices in the Territory as you determine to be appropriate. You may not operate outside your Territory. SiempreTax may grant franchises for areas outside your Territory or operate company offices in such areas. Except as described below, SiempreTax may not establish franchised or company owned outlets offering income tax preparation services using the Marks at a physical location in your Territory. In addition, SiempreTax may not offer income tax preparation services through other channels of distribution at a physical location in your Territory except as described herein. SiempreTax, SiempreTax's parent company, partners, affiliates and JTH Tax, Inc. d/b/a Liberty Tax Service may establish franchised or company owned outlets in in your Territory that operate income tax preparation services under different trademarks and may operate or franchise a different line of business. SiempreTax may distribute SiempreTax tax return preparation products and services by means other than retail or storefront locations in your Territory, including the sale of gift cards for this service. No other franchisee using the Marks may operate a tax return preparation office in your Territory. SiempreTax may advertise in your Territory. You may not advertise in areas outside your Territory or in media that extends outside your Territory, without SiempreTax's expressed written approval.
- c. Misplaced Offices. If you locate an office outside your Territory, even if SiempreTax approved such site location, you agree upon discovery of this fact to promptly abandon the office and refrain from any further targeted solicitation (e.g. direct mail, telephone calls, etc.) of customers residing in the territory containing the misplaced office. If SiempreTax learns that SiempreTax or another franchisee has erroneously located an office in your Territory, you agree to accept the abandonment of the office and, in the case of a misplaced office operated by another franchisee, the discontinuation of further targeted solicitation of customers located in your Territory, in full satisfaction of any claim against SiempreTax, SiempreTax's past and present employees, and SiempreTax's past and present franchisees, in relation to the misplaced office. SiempreTax has a reasonable time to correct any such error after SiempreTax learns of it. No person or entity is a third-party beneficiary of this Section.
- d. National and Regional Retail Business Outlets. SiempreTax may negotiate agreements with national or regional retail businesses. If there is an approved outlet of such a national or regional business in your Territory that is subject to such an agreement, you may choose to operate a tax return preparation service office in that outlet by communicating that decision to SiempreTax by December 1 before a given Tax Season, or such earlier date provided by SiempreTax in order to meet the requirements of that business. If you choose not to operate in an outlet that exists in your Territory, SiempreTax may operate in that outlet in your Territory and all associated revenue and expenses shall belong to SiempreTax. Additionally, SiempreTax will retain the right to service the customers associated with that outlet in the future. The term "Tax Season" means the time period of January 2 -April 30.

#### 4. FEES AND PAYMENTS

- a. Initial and Resale Franchise Fee. The initial franchise fee and resale franchise fees range from \$25,000 to \$40,000 and will be determined based on whether the territory contains a Primarily Hispanic Population. "Primarily Hispanic Population" means 50% or more of the population of the territory is Hispanic in our determination based on data provided from the last United States census as adjusted by available post census data or information. The resale franchise fee applies to a territory that has been previously sold. If a territory includes existing operations, the total cost will vary depending upon the Gross Receipts of the Territory and other pertinent market and economic factors.
- b. Down Payment and Approval. You must submit a minimum of 20% of the initial or resale franchise fee as a deposit after you have held the SiempreTax Franchise Disclosure Document for at least fourteen (14) calendar days and prior to attending Effective Operations Training ("EOT"). SiempreTax will refund this deposit to you upon your request at any time before you attend EOT. If you receive financing, you will be required to submit a deposit of up to \$25,000 prior to closing for your operational expenses ("Operational Supply Deposit"). We will refund to you the initial or resale franchise fee (including deposits) if we do not approve your application or if you do not pass EOT in accordance with our passing standards, provided that you return to us all materials that we distributed to you during training. After closing, SiempreTax will hold and make available for return to you any Operational Supply Deposit that you were required to submit, upon your written request to SiempreTax with substantiation as to the expenses to be paid by you with the Operational Supply Deposit. We do not pay interest on the Operational Supply Deposit. The initial and resale franchise fee is fully earned and nonrefundable when both parties execute this Agreement.
- c. Reverse Royalty. If SiempreTax receives tax preparation fees from individuals located in your Territory through the use of SiempreTax's Marks for online tax preparation services while you have a SiempreTax office open in that Territory, SiempreTax agrees to use commercially reasonable means to track and identify those revenues and pay or credit to you 14% of those tax preparation fees within sixty (60) days after the end of each Tax Season in its sole discretion.
- d. Royalties. You must pay a royalty to SiempreTax in the amount of 14% of Gross Receipts subject to the following minimums ("Minimum Royalties"):
  - i) Year One. For the period ending April 30 following the Effective Date of this Agreement, if you operated or were required to have operated an office in the Territory for any part of Tax Season ending in that April, the minimum royalty is \$5,000 per Territory.
  - ii) Year Two. For the period beginning May 1 following the Effective Date of this Agreement through the following April 30, the minimum royalty is \$8,000 per Territory.
  - iii) Year Three and Beyond. Thereafter, the minimum royalty is \$11,000 per Territory for each successive period beginning May 1 through the following April 30.
  - iv) Developed Territory. For a territory that contains or that had in the most recent Tax Season prior to the Effective Date of this Agreement, an existing company, franchisee or other SiempreTax tax preparation office ("Developed Territory"), you must pay royalties as

set forth above depending upon how long any office has been operated in the Territory. For example, if it is your first year operating in a territory but an office has been operated in the Territory by SiempreTax or another franchisee through one Tax Season, then the Territory would be subject to Year Two royalties for the year that you first operate in the Territory. An office includes, but is not limited to, locations such as kiosks or temporary locations where tax return preparation services are provided.

- e. Area Developers. If you are in or become part of an area covered by an Area Developer, SiempreTax may pay to the Area Developer a portion of the initial franchisee fee and royalties that you pay to SiempreTax.
  - f. Advertising Fee. You must pay an advertising fee of 5% of the Gross Receipts each month.
- g. Payment Period. You must pay the royalty owed by the 5th of each month based on Gross Receipts for the preceding month, and any balance owed to achieve Minimum Royalty on May 5 for each fiscal year ending April 30. You must pay advertising fees by the 5th of each month based on Gross Receipts for the preceding month. SiempreTax reserves the right to modify this payment schedule in SiempreTax's Operations Manual.
- h. Interest. You must pay interest of 12% (compounded daily) per year, or the maximum permitted by law if less, on any amounts owed to SiempreTax that are more than fifteen (15) days past due.
- i. Transfer Fee. If you transfer your Franchised Business, or a majority ownership interest in it, you must pay SiempreTax a transfer fee of \$5,000 at the time of transfer. This fee is subject to increase or decrease in future franchise agreements by the amount of change in the Consumer Price Index - All Urban Consumers, published by the U.S. Department of Labor, or a reasonably similar successor index, from the index as of the Effective Date.
- j. Customer Refunds, Penalty and Interest, Send a Friend. If you do not resolve a customer service complaint or pay penalty and interest on an erroneous return prepared in your office, or misdeliver a customer check, or fail to pay a Send a Friend or E-Send a Friend referral, and the customer contacts SiempreTax, and SiempreTax believes there is a reasonable basis for the claim, SiempreTax may issue a refund of fees paid by the customer, pay to the customer the penalty and interest or amount of misdelivered check, or pay the Send a Friend referral, and bill you. You agree to pay the charges. Your obligation to pay penalty and interest for tax return preparation errors made during the operation of the Franchised Business continues after the expiration, termination or transfer of this Agreement and/or sale of the Franchised Business.
- k. Automatic Payment Transfer. All of the tax preparation, transmitter, software, and electronic filing fees, and any rebates that you receive from Financial Products or customers who purchase Financial Products, shall initially be paid to SiempreTax. The term "Financial Products" as used in this Agreement means refund-based loan programs and/or a means for customers to obtain a refund using electronic deposit services that SiempreTax, or a company associated with SiempreTax, may offer to you. SiempreTax will remit any remaining balance to you from the above described fees and

rebates after deducting monies you owe to SiempreTax and/or Liberty and deducting monies to hold for application to upcoming amounts due to SiempreTax and/or Liberty.

- 1. Sales or Gross Receipts Tax. If required by the state or locality where your Territory is located, the initial franchise fee, royalties, and advertising fees will be subject to sales or gross receipts tax. You must pay these taxes to SiempreTax at the same time and in the same manner as you pay the royalties and fees to SiempreTax.
- m. Transmitter, Software, or Electronic Filing Fee. SiempreTax reserves the right to impose a fee charged to you or your customers related to transmission of Financial Products, the provision of software, or the electronic filing of tax returns and, if charged to customers, may rebate a portion of the fee to you. SiempreTax may vary the dollar amount of the fee and may change its name. Any such fee is not included in your Gross Receipts.
- n. Call Center. If you elect to use SiempreTax's call center to handle customer appointments, customer follow up, tax school calls, or other calls, you must pay to SiempreTax a fee for each such call pursuant to SiempreTax's schedule of call center charges. This schedule is subject to future modification by SiempreTax.
- o. Customer Cash Incentive Program Financing Set up Fee. If you elect to apply for customer cash incentive program financing through SiempreTax, you must pay to SiempreTax any set up fee that SiempreTax imposes pursuant to SiempreTax's schedule of fees. This schedule is subject to future modification by SiempreTax.
- p. Assessment Related to Understatement of Revenues. Pursuant to the rights and obligations specified in Section 7 of this Agreement, if SiempreTax determines that you are underreporting Gross Receipts, you must pay to SiempreTax additional royalties on the undisclosed amount. If the excess determined following a review is more than two percent (2%) of the Gross Receipts for the period in question, you must also pay the costs of the review. Additionally, if a review results from your failure to maintain and/or provide records as required in Section 7, you must pay the costs of the review, regardless of the result. The costs of any review pursuant to the terms of this Agreement shall be determined by SiempreTax. SiempreTax's acceptance of payments of royalties or Gross Receipts reports shall be without prejudice and shall in no case constitute a waiver of SiempreTax's rights to claim any delinquent royalties, or to require a review of your books of accounts and records, as provided for herein.

#### 5. OBLIGATIONS OF FRANCHISOR

- a. Training. SiempreTax provides for new franchisees a required five (5) day or longer EOT and a required one (1) day Hands on Training ("HOT") taught by an existing franchisee at their SiempreTax office. SiempreTax does not charge for EOT or HOT but you are responsible for all expenses you incur as a result of training, such as travel, lodging and meals.
- b. Operations Manual. SiempreTax will loan you a copy of SiempreTax's Operations Manual ("Manual") to offer guidance in the operation of your Franchised Business.

- c. Site Selection. Siempre Tax provides guidance and advice to you regarding the selection of the location of your office(s). You may not sign a lease or locate an office until SiempreTax approves the location of your office. SiempreTax's approval of the location of a site is not a guarantee of success in that location or a warranty or assurance as to any aspect of the office or its location.
- SiempreTax raises fees related to marketing through the d. Advertising and Marketing. advertising fees paid under SiempreTax's franchise agreements. SiempreTax will contribute advertising fees from company offices. SiempreTax disburses advertising fees to develop, produce, distribute and/or conduct advertising programs, marketing programs, public relations, and marketing research. SiempreTax spends advertising fees on a national, regional or local basis for television, electronic, radio and print advertising as SiempreTax determines to be appropriate. SiempreTax may produce advertising in-house and/or through an advertising agency. SiempreTax pays all costs of such activities, including a share of corporate overhead related to advertising and marketing, with advertising fees. You may also use your own advertising material provided that SiempreTax first approves it for compliance.
  - e. Software. SiempreTax provides tax return preparation software.
- f. Tax and Technical Support. SiempreTax provides reasonable telephone and/or internet support for your questions regarding federal and state individual income tax return preparation, electronic filing, and the use of software specified by SiempreTax. However, SiempreTax will not provide support on any equipment that does not meet SiempreTax's then current specifications or issues related to the operating system of a computer.
- g. Electronic Filing. SiempreTax provides the ability to file individual federal and certain individual state tax returns electronically, if such method of filing is reasonably available from the respective taxing authority. You must have a valid Electronic Filing Identification Number ("EFIN") to utilize electronic filing.
- h. Financial Products. If reasonably available and feasible (in SiempreTax's sole determination), SiempreTax will offer you the ability to participate in Financial Products. If offered, your participation in Financial Products programs is subject to mutual agreement between you, SiempreTax and the Financial Products provider.
- Operational Support. SiempreTax advises you in the budgeting for and operation of your Franchised Business.
- i. Advanced and Update Training and Conference Calls. SiempreTax provides and may require your attendance at advanced training for experienced franchisees. SiempreTax also provides and requires attendance by all franchisees at update training. SiempreTax may offer advanced and update training at various sites that SiempreTax selects across the country, or SiempreTax may offer such training through the internet or electronically. The agenda for advanced training varies, but often will focus on improving business management skills in order to increase profitability. SiempreTax does not charge for advanced or update training, but you are responsible for all expenses that you incur as a result of attending training, such as travel, lodging and meals. SiempreTax may also require that

you attend a reasonable number of toll free conference calls to learn the latest operational and marketing tips. Such calls may either be attended live or through online replay.

- k. Supply Source. SiempreTax will offer for sale or locate a source for purchasing supplies, forms and equipment that may be necessary to conduct the Franchised Business, as reasonably determined by SiempreTax.
- 1. Leasing. SiempreTax may make arrangements to refer you to a company that offers leasing of furniture, fixtures, signs, equipment, and possibly provides loans for franchise fees and working These leasing or loan programs will be financed and administered by a third party. SiempreTax cannot guarantee that you will be offered leasing or loans, as the third party company will make individual determinations.
- m. Financing through SiempreTax. SiempreTax may, in SiempreTax's sole discretion, provide financing for a portion of the initial franchise fee or other costs associated with the Franchised Business. The terms of such financing are subject to change. You must be in compliance with this Agreement to qualify for any such financing and may be required to obtain certain certifications including, but not limited to, Affordable Care Act certification. Further, if SiempreTax provides financing to you, you agree to submit monthly financial information to SiempreTax including, but not limited to, an income statement, balance sheet, and supporting documents. You agree to provide any requested document at the time and in the format required by SiempreTax.
- n. Group Discounts. SiempreTax may provide you with the opportunity to participate in group purchasing programs that offer group discounts. The discounts and terms for these opportunities will vary.
- o. Area Developers. In those areas where SiempreTax presently or in the future uses an Area Developer, SiempreTax reserves the right to delegate some portion of the responsibility for certain duties to the Area Developer including, but not limited to, site selection assistance, limited marketing assistance, and operating assistance. Area Developers do not have any authority to approve advertising or marketing material of any kind.

### 6. OBLIGATIONS OF FRANCHISEE

a. Training. You must attend and successfully complete SiempreTax's EOT and HOT before you may operate a SiempreTax office. SiempreTax may allow or require a general manager to attend on your behalf.

### b. Use of SiempreTax Marks.

- SiempreTax allows you to use SiempreTax's Marks. SiempreTax allows you to use SiempreTax's Marks to hold out your SiempreTax business to the public. You agree to exclusively use SiempreTax's Marks as SiempreTax develops them for this purpose only.
- (ii) You must obtain prior advertising approval. You must either use pre-approved advertising templates that SiempreTax or SiempreTax's approved vendors provide, or you must obtain

SiempreTax's prior written consent before using the Marks in any way and before using any marketing or promotional material, including internet advertising.

- (iii) No private website allowed. You may not have a website for your Franchised Business without SiempreTax's prior written approval.
- Marketing to National Companies. You must obtain written permission from SiempreTax before marketing on the premises (building and parking lot) of any national company. National companies include, by way of example, Wal-Mart, K-mart, and Sears.
- No use of "SiempreTax" within a company name. You may not use the word "JTH" "Dona Libertad" "Liberty," "Libtax", "Siempre", "SiempreTax" or the name, or any portion of the name of our affiliate companies, as any part of the name of a corporation, LLC or other entity except as may be agreed between you and our Affiliated Companies in a separate franchise agreement for that company. If we change the name or Marks, you also may not use the new name or Marks as part of the name of a corporation, LLC or other entity. However, "SiempreTax" followed by your entity number shall be your "doing business as" name for an entity that owns this Franchise, sometimes also called your "assumed name," "trading as" name, or "fictitious name."
- (vi) No confusingly similar marks. You agree not to use any marks which could be confused with SiempreTax's Marks.
- (vii) SiempreTax may update or change SiempreTax's Marks. We will likely change the initial names and Marks of the franchise. We also intend to replace, modify or add to the Marks. If SiempreTax replaces, modifies or creates additional marks, you agree to update or replace your signs, supplies, etc., to reflect the new marks in the time frame SiempreTax provides and at your own expense. Following the first change of the SiempreTax name and Marks, SiempreTax will not change exterior signage requirements more than once every four (4) years.
- c. Signs. You must display an exterior lighted sign at each of your offices. SiempreTax must approve all signs before you order or display them.
- d. Starting Date. You agree to begin operation and be open for business no later than January 8 following the Effective Date of this Agreement and agree to be open for business no later than January 2 for each year thereafter.
- e. Operating Hours. You agree to exercise your best efforts to promote the Franchised Business and agree, at a minimum, to be open for business during the hours specified in the Operations Manual.
- f. Target Volume. You must use your best efforts to promote the Franchised Business. Beginning in your fifth (5<sup>th</sup>) Tax Season and continuing in each Tax Season thereafter, you must prepare at least 1000 federal income tax returns in your Territory ("Target Volume").
- g. Software. You must use the software that SiempreTax provides. You may not use, install or allow to be installed any other federal or state personal income tax return preparation or electronic filing software on any computers used in the Franchised Business, without SiempreTax's prior written consent.

- h. Telephone Number and Email Account. You must obtain and maintain a SiempreTax telephone number to be used solely to transact the Franchised Business. You may purchase a white and yellow page listing through our approved vendor and may be required to purchase a yellow page advertisement and/or contribute to a group listing or advertisement per SiempreTax's recommendations. You also must provide and maintain an email account sufficient for communications between you and SiempreTax.
- i. Equipment. You must obtain and use a computer system that meets SiempreTax's current specifications and any modifications to these specifications. All work stations must be purchased from SiempreTax's approved vendor including, but not limited to, tax return preparation and processing computers. SiempreTax may update the specifications. When the specifications are updated, you must update or upgrade the computer system, at your sole cost. Specifications will not be updated during a Tax Season except upon an emergency, as reasonably determined by SiempreTax.
- j. Insurance. During the term of this Agreement, you must procure and maintain an insurance policy or policies with at least the following coverage or such other coverage as may be specified in the Operations Manual: (i) comprehensive general liability of \$1 million per office and (ii) worker's compensation as required by your state law. You must name SiempreTax as an additional insured on these policies.
- k. Electronic Filing. If SiempreTax provides or recommends a source for electronically filing tax returns, you are required to offer electronic filing and to use this source exclusively for all electronic filing.
- 1. Financial Products. If SiempreTax negotiates an agreement with a third party Provider to allow you to offer Financial Products, you are required to exclusively use such Providers as SiempreTax designates and to offer Financial Products to your customers.
- m. Operations Manual. You acknowledge the importance of consistency of quality, service and operation among all SiempreTax franchised offices and, therefore, agree to operate the Franchised Business in conformity with all standards to be maintained, techniques and operating procedures that SiempreTax may prescribe in SiempreTax's manuals or otherwise in writing, and to refrain from deviating therefrom without SiempreTax's prior written consent. SiempreTax will loan you a copy of the Manual and provide you with other relevant manuals. SiempreTax may modify the Manual or any other manual, in order to adjust for competitive changes, technological advancements, legal requirements and attempts to improve in the marketplace. You agree to operate the Franchised Business according to the manuals and any modifications including, but not limited to, the Manual, as may be updated or supplemented by memoranda, bulletin, email or other similar mechanism that together with the Manual, contain the mandatory and suggested procedures and specifications that are prescribed for the Franchised Business.
- n. Participation. You agree that the services of the Franchised Business will be provided under your direct supervision and control and/or under the direct supervision and control of a full-time general manager who has been approved by, and not later disapproved by SiempreTax. SiempreTax will not approve a general manager prior to their successful completion of EOT.

- o. Return Check. You must prepare each income tax return accurately and in accordance with federal, state and local laws. You must check each return thoroughly.
- p. Tax School. If you complete EOT before September 1 of the year of the Effective Date of this Agreement, and during every year after your first Tax Season regardless of EOT, you must conduct an intensive 6 to 10 week tax course in the period of September through December in accordance with the specifications in the Manual. Additionally, you must conduct a one-week tax course during every January, including the January of your first (1<sup>st</sup>) Tax Season, in accordance with the specifications in the Manual. We may require that you offer Tax School in Spanish.
- **q.** Employees. You shall conduct and require each of your employees to attend an employee policy and procedure training course as specified by SiempreTax. You are solely responsible for hiring, firing, compensating, paying applicable payroll taxes and day to day supervision and control over your employees. However, your employees are required to be fluent in Spanish.
- r. Customer Service. You shall employ and train sufficient personnel to accommodate all customers without undue delay. You shall provide all services and abide by all customer service policies described in the Manual, including, but not limited to, the money back guarantee. You must operate in a manner that protects SiempreTax's goodwill, reputation and Marks.
- s. Office Condition. You shall maintain offices that are neat and professional in appearance. Further, you may not offer products or services through your SiempreTax offices other than the franchise services authorized here (i.e., tax preparation, electronic filing, and Financial Products, all processed and reported through SiempreTax's systems) without SiempreTax's prior written approval.
- t. Supplies and Furniture. You agree that in order to establish a standard and consistent delivery of SiempreTax services, certain items must be used in the operation of the Franchised Business. You must use the items required in the Manual (e.g. client envelopes and folders, interview worksheets, interior signs sets). You are responsible for the cost of all items needed to conduct the Franchised Business including, but not limited to, supplies, furniture, equipment, leasing and real estate costs.
- u. Laws and Regulations. You agree to comply with all federal, state and local laws, regulations, ordinances and the like. You will abide by all legal requirements and be solely responsible for securing any necessary permits, certificates, licenses and consents to operate your business.
- v. Audits. If the IRS or any governmental agency audits or investigates your SiempreTax operations, or otherwise requires that you provide documents to the IRS related to the Franchised Business, you agree to notify SiempreTax promptly upon receiving notice of the audit, investigation or request for documents. You agree to promptly provide SiempreTax with the findings of any audit or investigation.
- w. EFIN. You must obtain by January 2 of your first Tax Season and maintain throughout the entire term of this Agreement, an EFIN from the IRS. You agree to comply with all of the requirements of IRS Publication 3112 or any applicable successor publication relevant to EFINs. You

hereby authorize the IRS and any state tax authority to disclose to SiempreTax the reasons for any EFIN denial or suspension and to provide SiempreTax with copies of all EFIN application materials, suspension and denial notices.

x. Site Selection and Leases. As described in Section 5.c., SiempreTax provides guidance to you regarding the selection of the location of your office and all office locations must be approved by SiempreTax prior to your execution of a lease for that site. You are required to attempt to ensure that any lease entered into for an approved location contains a provision that the lessor consents to an assignment of the lease to SiempreTax with the right to sublease at SiempreTax's option. You agree to provide SiempreTax with a copy of the lease for each approved location within seven (7) days of execution.

### 7. REPORTS AND REVIEW

- a. Gross Receipt Report. You must send SiempreTax a Gross Receipt report in the manner and form and at the times SiempreTax specifies. Presently, you must report your Gross Receipts on the fifth (5th) of the month for Gross Receipts received during the prior month.
- b. Profit and Loss. By May 30 of each year, you must send SiempreTax an unaudited profit and loss statement of the Franchised Business, in the manner and form SiempreTax specifies, for the twelve (12) month period ending April 30.
- c. Review. You agree to permit SiempreTax and/or SiempreTax's agents the right to enter your SiempreTax offices during normal business hours, without prior notice, and inspect your operations and inspect and copy all of your paper and electronic business records related to the Franchised Business and any other operations taking place at your Franchised Business. This includes, but is not limited to, the right to inspect and copy all tax returns and bank statements that may be indicative of revenues from the Franchised Business. SiempreTax also has the right to require that you implement a plan to resolve issues that SiempreTax discovers. You agree to comply with any such plan imposed.
- d. Mail Reviews. If SiempreTax requests a copy of your customer receipts (paper and/or electronic) or any other business records, including, but not limited to customer taxpayer records related to the Franchised Business, you must send SiempreTax these records at your expense within five (5) days of receiving SiempreTax's request.
- e. Electronic Review. SiempreTax may cause programs to run on your computer systems that may send information to SiempreTax. SiempreTax agrees that the use of such programs will not unreasonably interfere with your operation of the Franchised Business and you agree to allow such programs to run without interference by you. You hereby grant SiempreTax the right to access the computer systems in your office and authorize SiempreTax to obtain any and all information related to the Franchised Business. You acknowledge that SiempreTax will use information obtained from your computer system to make business decisions.
- f. Costs of Review. Depending on the circumstances, you may be responsible for the costs of a review as more fully set forth in Section 4(p).

g. Background Information. During the term of this Agreement, you authorize SiempreTax to obtain background information related to your employment, credit and financial history, as well as your criminal and driving records.

### 8. TERMINATION

- a. Nonrenewal. You may terminate this Agreement by not renewing; that is by not notifying SiempreTax in writing of your desire to renew at least one hundred eighty (180) days prior to the expiration of this Agreement. If you terminate pursuant to this Section, you must still comply with all of the post-termination provisions of this Agreement.
- b. Termination Without Notice and Opportunity to Cure. SiempreTax may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:
  - (i) If you become insolvent, are unable to pay debts as they come due or take any steps to seek protection from creditors, or if a receiver (permanent or temporary) is appointed by a creditor or a court of competent authority, or if you make a general assignment for the benefit of creditors;
  - (ii) If a final judgment of record against you or your Franchised Business remains unsatisfied for thirty (30) days or longer;
  - (iii) If we determine that you, or someone acting under your supervision and control, has committed a material violation of any law, ordinance, rule or regulation of a governmental agency or department reasonably associated with the operation of the Franchised Business;
  - (iv) If you abandon the Franchised Business or discontinue the active operation of the Franchised Business for three (3) business days during any Tax Season or seven (7) business days otherwise, except where active operation was not reasonably possible;
  - (v) If you fail to open for business in the Territory by January 2 or January 8 of any year, as specified pursuant to Section 6(d);
  - (vi) If you operate any offices or advertise outside the Territory without SiempreTax's permission;
  - (vii) If you fail to meet the Target Volume specified in Section 6(f) above in the Territory during your fifth Tax Season or in any Tax Season thereafter;
  - (viii) If you fail to use the software, electronic filing services or Financial Products SiempreTax provides or recommends;
  - (ix) If you do not obtain an EFIN from the IRS for each office in the Territory by January 2 of your first Tax Season or if any such EFINs are suspended for any reason at any time thereafter;

- (x) If you include a materially false representation or omission of fact in your Confidential Franchise Application to SiempreTax or if you under-report Gross Receipts, falsify financial data, make a false submission with regard to any required reports or otherwise commit an act of fraud with respect to your acquisition or operation of the Franchised Business or your rights or obligations under this Agreement;
- (xi) If you commit three (3) or more breaches of this Agreement, the Operations Manual, or any other agreement (including promissory notes) with SiempreTax, in any twelve (12) month period regardless of whether such breaches were cured after notice; or
- (xii) If you fail to timely execute all documents necessary for renewal.
- c. Termination with Notice and Opportunity to Cure. No fewer than seven (7) days after SiempreTax has sent you notice of your opportunity to cure, SiempreTax may terminate this Agreement if:
  - (i) You violate any term or condition of this Agreement, the Operations Manual, or any other agreement with SiempreTax or SiempreTax's Affiliated Companies;
  - Any amount owing to SiempreTax or SiempreTax's Affiliated Companies, whether related to the Territory or not, is more than thirty (30) days past due;
  - (iii) You fail to comply with IRS standards applicable to e-file providers as stated in IRS Publication 1345 or another or successor IRS publication applicable to e-file providers; or
  - (iv) You are more than sixty (60) days in default of any loan, lease or sublease agreement with a third party, affecting the Franchised Business.

### 9. POST-TERMINATION OBLIGATIONS

Upon expiration, termination, transfer or nonrenewal of this Agreement for any reason by any party, including a sale of the Franchised Business, you must immediately:

- a. Sell to SiempreTax (if SiempreTax elects pursuant to Section 11) any or all equipment, signs, trade fixtures, and furnishings used in the Franchised Business, or if SiempreTax does not so elect, remove all Marks or other distinguishing indicia from all of your offices and other premises; and
- b. Stop identifying yourself as a SiempreTax franchisee, never hold out as a former SiempreTax franchisee and forever cease the use of any of the Marks or any other marks that may be confused with the Marks; and
- c. Stop using all literature and forms received from SiempreTax and other items bearing the Marks; and

- d. Pay to SiempreTax all amounts owing to SiempreTax, whether related to the Territory or not; and
- e. Transfer to SiempreTax all telephone numbers, listings and advertisements used in relation to the Franchised Business and deliver to SiempreTax copies of such documents of transfer; and
- f. Assign to SiempreTax (if SiempreTax elects), and upon lessor's consent, any interest that you have in any lease, sublease or any other agreement related to the Franchised Business; and
- g. Deliver to SiempreTax any original and all copies, including electronic copies and media, of lists and other sources of information containing the names, addresses, e-mail addresses, or phone numbers of customers of the Franchised Business; and
- h. Deliver to SiempreTax any original and all copies, including electronic copies and media, containing customer tax returns, files, and records; and
- i. Deliver to SiempreTax the copy of the Manual and any updates which SiempreTax loaned to you; and
- i. Cancel all fictitious name listings which you have filed that utilize any of the Marks; and
- k. Adhere to all applicable provisions contained herein including, but not limited to, the post-term covenants not to compete and not to solicit.

### 10. ADDITIONAL IN-TERM AND POST-TERM COVENANTS

- a. In-Term Covenant Not to Compete. During the term of this Agreement, you agree not to directly or indirectly, for a fee or charge, in the United States or Canada, prepare or electronically file income tax returns, or offer Financial Products, except in your capacity as a SiempreTax franchisee using the SiempreTax system to offer such products and services.
- b. Post-Term Covenant Not to Compete. For a period of two (2) years following the termination, expiration, transfer or other disposition of the Franchised Business, or your removal as a Signator to this Agreement, you agree not to directly or indirectly, for a fee or charge, prepare or electronically file income tax returns, or offer Financial Products, within the Territory or within twenty-five (25) miles of the boundaries of the Territory.
- c. Liquidated Monetary Damages. If you fail to comply with either of the above covenants not to compete, you agree to pay SiempreTax, as partial liquidated monetary damages, royalties and advertising fees as set forth in Section 4 of this Agreement against the greater of: (1) the total Gross Receipts during your last fiscal year (May 1- April 30) of operation for each Territory in which you are in breach; or (2) the total revenue you received in breach of a covenant not to compete. The greater of these two dollar figures shall be multiplied by two (2) to give consideration to lost, repeat, and referral business to SiempreTax. You acknowledge that any breach of the covenants not to compete causes damage to the integrity of SiempreTax's franchised system, loss of franchisee and customer goodwill

and irreparable harm. You specifically acknowledge that the full measure of these damages is greater than that specified herein.

- d. Covenant Not to Solicit. For a period of two (2) years following the termination, expiration, transfer or other disposition of the Franchised Business, or your removal as a Signator to this Agreement, you agree that you will not, within the Territory or within twenty-five (25) miles of the boundaries of the Territory, directly or indirectly solicit any person or entity served by any of your prior SiempreTax offices within the last twelve (12) months that were a SiempreTax franchisee, for the purpose of offering such person or entity, for a fee or charge, income tax preparation, electronic filing of tax returns, or Financial Products. You further agree for a period of two (2) years following the termination, expiration, transfer or other disposition of the Franchised Business, or your removal as a Signator to this Agreement, not to employ or solicit for employment without SiempreTax's prior written consent any of SiempreTax's employees or those of any other of SiempreTax's franchisees, or induce any such employee to leave his or her employ.
- e. Covenant Not to Lease. You agree that during the term of this Agreement, you will not lease, sub-lease, assign or guaranty a lease in the Territory to or for a person or entity who will offer income tax preparation at such an office. You also agree that upon the termination or expiration of this Agreement, if SiempreTax or a duly authorized SiempreTax franchisee desires to use any of your former SiempreTax office locations in the Territory, you will use reasonable good faith efforts to help SiempreTax secure possession of the office locations through a lease assignment or otherwise. Otherwise, you agree to use reasonable, good faith efforts to ensure that, for a twenty-four (24) month period after non-renewal or termination of this Agreement, no person or entity will offer income tax preparation at the properties where your former SiempreTax offices were located. Good faith efforts include a duty not to sub-lease or assign the leases of your office location to a person or entity who will offer income tax preparation at such office locations.
- f. No Harmful Acts. You agree not to disparage SiempreTax or its current and former employees or directors. During the term of this Agreement, you also agree not to do any act harmful, prejudicial or injurious to SiempreTax in SiempreTax's discretion.
- g. Section 10 Conditions Required for Grant of Franchise. You hereby acknowledge that the qualifications to be a SiempreTax franchisee are special, unique and extraordinary, and that SiempreTax would not enter into this Agreement without the inclusion of the conditions set forth in Section 10.
- h. Waivers. You acknowledge and agree that the provisions of Section 10 are reasonable, valid and not contrary to the public interest. You waive all defenses to the strict enforcement of Section 10. You further agree that SiempreTax is entitled to a temporary restraining order, preliminary and/or permanent injunction for any breach of duties under any of the non-monetary obligations of Sections 9 and 10. You hereby waive any requirement that SiempreTax post a bond related to any temporary restraining order or injunctions requested as a result of an alleged violation of Sections 9 and 10.
- i. Survival. The covenants contained in Section 10 shall survive any termination or expiration of this Agreement.

i. Severability. If any covenant or provision within Section 10 is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision of this Agreement. Further, these obligations are considered independent of any other provision in this Agreement, and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this Agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

### 11. OPTION TO PURCHASE ASSETS

Upon termination or expiration of this Agreement, you hereby grant SiempreTax or its assignee the option to purchase from you some or all of the assets (including, but not limited to, supplies, equipment, signs, furnishings and fixtures) of the Franchised Business. SiempreTax may exercise this option by transmitting notice to you within thirty (30) days from the effective date of expiration or termination. If SiempreTax elects to exercise this option, the purchase price for the assets of the Franchised Business, will be the "adjusted book value" as described below. SiempreTax will have the right to set off and reduce the purchase price by any and all amounts owed by you to SiempreTax or any of SiempreTax's affiliates. The "adjusted book value" is the book value of the assets of the Franchised Business as listed on the balance sheet in the financial statements of the Franchised Business as of the date of the termination or expiration. There shall be no allocation for goodwill or any similar adjustment in the adjusted book value.

### 12. CONFIDENTIAL INFORMATION

SiempreTax possesses confidential information including, but not limited to, methods of operation, service and other methods, techniques, formats, specifications, procedures, information, systems, knowledge of and experience in operating and franchising offices, customer information and marketing information ("Confidential Information"). SiempreTax may disclose some or all of the Confidential Information to you and your representatives while you operate the Franchised Business. During the term of this Agreement and following the expiration or termination of this Agreement, you covenant not to directly or indirectly communicate, divulge, or use any Confidential Information for your personal benefit or the benefit of any other person or legal entity except as specifically provided by the terms of this Agreement or permitted by SiempreTax in writing prior to disclosure. Upon the transfer, expiration, termination or nonrenewal of this Agreement, you agree that you will never use or disclose, and will not permit any of your representatives to use or disclose, SiempreTax's Confidential Information in any manner whatsoever, including, without limitation, in the design, development or operation of any business substantially similar to the Franchised Business. This provision shall not apply to information that: (i) at the time of disclosure is readily available to the public; (ii) after disclosure becomes readily available to the trade or public other than through breach of this Agreement; (iii) is subsequently lawfully and in good faith obtained by you from an independent third party without breach of this Agreement; (iv) was in your possession prior to the date of our disclosure to you; or (v) is disclosed to others in accordance with the terms of a prior written authorization between you and SiempreTax. The protections granted in this Section shall be in addition to all other protections for Confidential Information provided by law or equity.

- b. Interest. You will acquire no interest in SiempreTax's Confidential Information, but are provided the right to use Confidential Information disclosed to you for the purposes of developing and operating the Franchised Business pursuant to this Agreement. You acknowledge that it would be an unfair method of competition to use or duplicate any Confidential Information other than in connection with the operation of the Franchised Business. No part of the SiempreTax franchise system nor any document or exhibit forming any part thereof shall be distributed, utilized or reproduced in any form or by any means, without SiempreTax's prior written consent.
- You agree that you will: (i) refrain from using Confidential Information for any purpose other than the operation of the Franchised Business pursuant to this Agreement; (ii) maintain absolute confidentiality of Confidential Information during and after the term of this Agreement; (iii) not make unauthorized copies of any portion of Confidential Information; and (iv) adopt and implement all reasonable procedures, including, but not limited to, those required by SiempreTax, to prevent unauthorized use of or disclosure of Confidential Information, including, but not limited to, restrictions on disclosure to your employees and the use of nondisclosure and non-competition clauses in employment agreements with employees that have access to Confidential Information.

### 13. INDEPENDENT CONTRACTOR

You and SiempreTax are independent contractors to each other. Neither you nor SiempreTax are an agent, fiduciary, partner, employee, or a participant in a joint venture and neither you nor SiempreTax have the authority to hold out as such to third parties. You do not have any authority to bind or obligate SiempreTax. SiempreTax is not and will not be liable for any act, omission, debt, or other obligation of yours.

You are responsible for all claims, demands, losses, damages and/or contractual liability to third parties which may arise at any time related to your operation of the Franchised Business. You agree to defend, indemnify and hold SiempreTax and its employees harmless from all claims, demands, losses, damages, and/or contractual liability to third parties.

### 14. DEATH OR INCAPACITY

- a. Assistance and Reimbursement. In the event of the death or incapacity of Franchisee, SiempreTax is entitled, but not required, to render assistance to maintain smooth and continued operation of the Franchised Business. SiempreTax shall be entitled to reimbursement from Franchisee or Franchisee's estate for reasonable expenditures incurred.
- b. Time Requirements. Pursuant to this Section, death or incapacity shall not be grounds for termination of this Agreement unless:
  - i) Franchisee or his/her legal representative fails for a period of one hundred eighty (180) days after such death or incapacity to commence action to assign this Agreement according to controlling state law regarding the affairs of a deceased or incapacitated person and the terms of this Agreement; or
  - ii) Such assignment is not completed within one (1) year after death or incapacity.

c. Termination. SiempreTax shall have the right to terminate this Agreement if one of the conditions listed in 14(b) are not satisfied within the time frame provided. Nothing in this Section shall be construed to limit the provisions of Section 8 regarding termination. Further, the terms and conditions of Section 15 apply to a transfer upon death or incapacity.

### 15. ASSIGNABILITY AND FIRST RIGHT OF REFUSAL

- a. Assignability Generally. SiempreTax may assign this Agreement to an assignee who agrees to remain bound by its terms. SiempreTax does not permit a sub-license of the Franchise. Your interest under this Agreement or your ownership in the Franchise may be transferred or assigned only if you comply with the provisions in this Section 15. No interest may be transferred unless you are in full compliance with this Agreement and current in all monies owed to SiempreTax. Pursuant to SiempreTax's request, any transfer of an ownership interest in this Agreement must be joined by all signatories to this Agreement, except in the case of death or legal disability.
- b. First Right of Refusal. If you have received and desire to accept a signed, bona fide offer to purchase or otherwise transfer the Franchise or any interest in the Franchise, SiempreTax shall have the option ("Right of First Refusal") to purchase the Franchise or interest. You shall offer the Right of First Refusal by providing written notice to SiempreTax and including a copy of the signed offer to purchase that you received (collectively "Notice"). SiempreTax shall have the right to purchase the Franchise or interest in the Franchise for the price and upon the terms set out in the Notice; however, SiempreTax may substitute cash for any non-cash form of payment proposed and SiempreTax shall have sixty (60) days after the exercise of SiempreTax's Right of First Refusal to close the purchase. SiempreTax will notify you in writing within fifteen (15) days of receipt of the Notice if it plans to exercise the Right of First Refusal. Upon the transmission of notice by SiempreTax that it plans to exercise the Right of First Refusal, there shall immediately arise between SiempreTax and Franchisee, or its owners, a binding contract of purchase and sale at the price and terms contained in the Notice previously provided by you.
- c. Transfer to Controlled Entity. A transfer to a "Controlled Entity" shall not trigger the Right of First Refusal. A "Controlled Entity" is an entity in which Franchisee is the beneficial owner of 100% of each class of voting ownership interest. At the time of the desired transfer of interest to a Controlled Entity, you must notify SiempreTax in writing of the name of the Controlled Entity and the name and address of each officer, director, shareholder, member, partner, or similar person and their respective ownership interest. Each such person of the Controlled Entity shall sign the amendment and release forms and/or franchise agreement as required by SiempreTax at the time of transfer. Currently, SiempreTax does not charge a transfer fee for this type of transaction. Upon transfer, a new EFIN must be obtained pursuant to Section 6(w) herein.
- d. Transfer of Interest Within Franchisee. A transfer of interest within a Franchisee that is an entity shall not trigger the Right of First Refusal provided that only the percentage ownership is changing and not the identity of the owners. At the time of the desired transfer of interest within an entity, you must notify SiempreTax in writing of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest prior to and following the proposed transfer. Each such person of the Controlled Entity shall sign the amendment

and release forms and/or franchise agreement as required by SiempreTax at the time of transfer. Further, if the transfer of interest results in a majority ownership change, you must pay to SiempreTax the transfer fee required at the time of transfer.

e. Right of First Refusal Not Exercised By SiempreTax. If SiempreTax does not exercise the Right of First Refusal, you may transfer the Franchise or ownership interest therein according to the terms set forth in the Notice, provided that you satisfy the conditions of Sections 15(f) below and complete the sale within ninety (90) days from the date that SiempreTax received Notice from you. If you do not conclude the proposed sale transaction within this ninety (90) day period, SiempreTax's Right of First Refusal shall continue in full force and effect.

### f. Additional Requirements and Restrictions Regarding Transfers.

- The proposed transferee(s) must complete SiempreTax's franchise application and pass SiempreTax's application screening in place at the time of transfer;
- ii) The proposed transferee(s) must sign the SiempreTax amendment forms and/or the then current franchise agreement, and must personally assume and be bound by all of the terms, covenants and conditions therein;
- iii) The proposed transferee(s) must attend and successfully complete EOT and HOT;
- iv) You shall sign the transfer and release forms required by SiempreTax at the time of transfer and pay the transfer fee described in Section 4.i. of this Agreement; and
- v) Except as to approved transfers within the SiempreTax system as described in this Section, you may not give, transfer or sell all or substantially all of the assets of your Franchised Business during the term of this Agreement, or for a two (2) year period after its expiration or termination, to a person or entity who might be reasonably expected to use any such assets to offer income tax preparation in the Territory or within ten (10) miles of the boundaries of the Territory.
- g. Writing Required. No amendment, change, or modification of this Agreement and no waiver of any right under this Agreement will be effective unless in a written document that is signed by an authorized representative of SiempreTax.

### 16. NON-WAIVER OF BREACH

The failure of either party hereto to enforce any of the terms or conditions of this Agreement shall not be deemed a waiver of such terms or conditions or of either party's rights thereafter to enforce each and every term and condition of this Agreement.

### 17. GOVERNING LAW

a. Virginia Law. This Agreement is effective upon its acceptance in Virginia by SiempreTax's authorized officer. Virginia law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties hereto. However, the Virginia Retail Franchising Act does not apply to any claims by or on your behalf if the Territory shown on Schedule A is outside of Virginia.

- b. Jurisdiction and Venue. In any suit brought by SiempreTax that in any way relates to or arises out of this Agreement or any of the dealings of the parties hereto, you consent to venue and personal jurisdiction in the state and federal court of the city or county of SiempreTax's National Office (presently Virginia Beach, Virginia state courts and the United States District Court in Norfolk, In any suit brought against SiempreTax, including SiempreTax's present or former employees or agents, that in any way relates to or arises out of this Agreement or any of the dealings of the parties hereto, venue shall be proper only in the federal court district and division located nearest SiempreTax's National Office (presently the U.S. District Court in Norfolk, Virginia), or if neither federal subject matter nor diversity jurisdiction exists, in the city or county state court where SiempreTax's National Office is located (presently the City of Virginia Beach, Virginia).
- c. Jury Waiver. In any trial between any of the parties hereto, including present or former employees or agents of SiempreTax, that in any way relates to or arises out of this Agreement or any of the dealings of the parties hereto, you and SiempreTax agree to waive the rights to a jury trial and instead have such action tried by a judge.
- d. Class Action Waiver. You agree that any claim you may have against SiempreTax, including SiempreTax's past or present employees or agents, shall be brought individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against SiempreTax.
- e. No Punitive Damages. In any lawsuit, dispute or claim between or against any of the parties hereto, including present or former agents or employees of SiempreTax's, that in any way relates to or arises out of this Agreement or any of the dealings of the parties hereto, you and SiempreTax agree to waive the rights, if any, to seek or recover punitive damages.
- f. Area Developers. If your Territory is or becomes located in an Area Developer area, you agree not to bring any claim, including a lawsuit, against the Area Developer, or its owners, employees or independent contractors, except as to a claim unrelated to the SiempreTax franchise, such as an automobile accident. Area Developers are a third party beneficiary of this clause. Further, you agree that if you breach this clause, you will pay to SiempreTax and/or the Area Developer all attorney fees and other costs that SiempreTax and the Area Developer incur to defend the Area Developer in such an action, regardless of who prevails.
- g. Survival. Any provisions of this Agreement that by their nature extend beyond the expiration or termination of this Agreement, shall survive termination or expiration of this Agreement and be fully binding and enforceable as though termination or expiration had not occurred.

### 18. MODIFICATION

No modifications to this Agreement will have any effect unless such modification is in writing and signed by you and by SiempreTax's authorized officer. However, SiempreTax may modify the provisions of the Operations Manual without your consent.

### 19. RELEASE OF PRIOR CLAIMS

By executing this Agreement, the undersigned entity, if any, and individuals, on behalf of yourselves and your heirs, legal representatives, successors and assigns, and each assignee of this Agreement, hereby forever release and discharge SiempreTax, its past and present employees, agents, area developers, officers and directors, including SiempreTax's parent, subsidiary and affiliated corporations, their respective past and present employees, agents, officers and directors, from any and all claims relating to or arising out of any franchise agreement between the parties executed prior to the date of this Agreement, and all other claims relating to any dealings between any of the parties. However, this release does not apply to SiempreTax's renewal obligations the same or similar to those in Section 2(b) above, as contained in any prior or other franchise agreement.

### 20. NOTICES

You shall give any notice or request hereunder by mail or courier, postage fully prepaid, delivered personally to SiempreTax's CEO at SiempreTax's National Office, presently 1716 Corporate Landing Parkway, Virginia Beach, Virginia, 23454, Telephone: (757) 493-8855. SiempreTax may also give any such notice to you in the same manner at the address indicated below the Franchisee's signature on this Agreement, or such other more current address as SiempreTax may have for you. SiempreTax may also give notice to you by e-mail.

### 21. FULL UNDERSTANDING

This Agreement is the entire agreement between you and SiempreTax. This Agreement supersedes all other prior oral and written agreements and understandings between you and SiempreTax with respect to the subject matter herein. Nothing in this or in any related agreement, however, is intended to disclaim the representations SiempreTax made in the Franchise Disclosure Document SiempreTax furnished to you.

### 22. ACKNOWLEDGMENTS

You acknowledge that you have read SiempreTax's franchise disclosure document and this Agreement and that you are familiar with their contents. You acknowledge that you have independently investigated the business offered hereunder and base your decision to purchase solely on such investigation. Except as may be stated in Item 19 of SiempreTax's Franchise Disclosure Document, you acknowledge that no person is authorized to make and no person has made any representations to you as to the actual, projected or potential sales, volumes, revenues, profits or success of any SiempreTax franchise. You further acknowledge and agree that you are not a third party beneficiary to any agreement between SiempreTax and any other franchisee.

### 23. SEVERABILITY

If any covenant or provision within this Agreement is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not effect or impair the validity of any other covenant or provision of this Agreement and no covenant or provision of this Agreement shall be deemed to be dependent upon any other unless specifically expressed herein.

### 24. COUNTERPARTS AND ELECTRONIC SIGNATURE

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (e.g. "pdf") format shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of similar import in the Agreement shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based recordkeeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC § 7001 et seq.) or any other similar state or federal laws.

### 25. HEADINGS

The headings of the various sections of this Agreement have been inserted for reference only and shall not be deemed to have any legal effect or meaning.

### 26. GUARANTY

The Franchisee named at the top of the following page agrees to abide by the terms of this Agreement. The signature of an individual or individuals constitutes their personal agreement to such terms. The signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.

In addition, the Franchisee signatures of all individuals on this Agreement, in any capacity, also constitute their personal joint and several agreement to perform all the obligations in and relating to this Agreement, including, but not limited to, the obligations stated in Section 17 above concerning Governing Law, including but not limited to, the application of Virginia law, the jurisdiction and venue clause, the jury waiver, the class action waiver, and the limitation to compensatory damages only, the obligation to make payments specified herein, pay any other promissory notes and other debts due to SiempreTax, and pay for products later ordered from SiempreTax. All Signators waive any right to presentment, demand or notice of non-performance and the right to require SiempreTax to proceed against the other Signators.

Franchisee: Nora Garcia & Man	be Corosa veentity Number:
SIGNATORS:  By: Markel Lower (Signature)  Markel Govos ave (Printed Name)	By: Marcia (Signature)  Nova Gar Cia (Printed Name)
Title:  Address: 937 Let Ave  Calexia, (A 9393)  Ownership Percentage: 99 %	Title:  Address: 1943 Annadaleway  Pomona CA 91767  Ownership Percentage:%
By:(Signature)	By:(Signature)
(Printed Name)  Title:  Address:	(Printed Name)  Title:  Address:
Ownership Percentage:%	Ownership Percentage:%  SIEMPRETAX LLC  By: Printed Name: John Hewith
	Title:

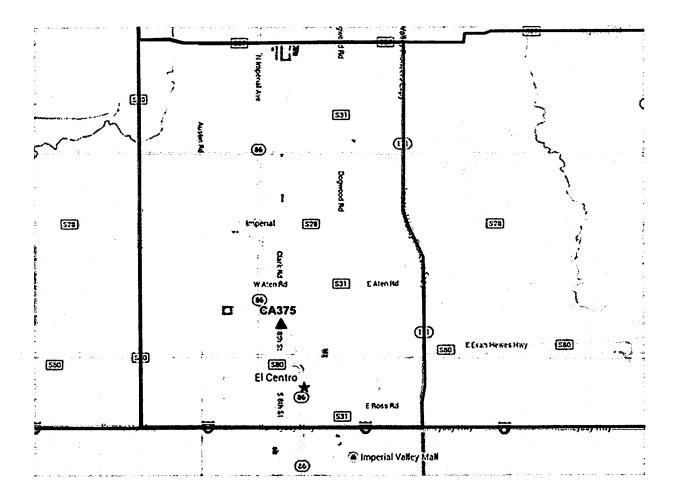
### SCHEDULE "A" TO THE FRANCHISE AGREEMENT

### **Territory**

The Franchise Territory\* is as follows:

CA375 (ElCentroCA-1)

NORTH of and including I-8 from SR-111 to Forrester Rd.
EAST of and including Forrester Rd from I-8 to W Keystone Rd
SOUTH of and excluding W Keystone Rd continuing onto SOUTH of and excluding
E Keystone Rd from Forrester Rd to SR-111.
WEST of and excluding SR-111 from E Keystone Rd to I-8.



\*Note: When a Territory description includes a road, avenue, street, parkway, highway, route or similar roadway, the Territory includes the U.S. Postal addresses assigned to either side of the roadway. When a Territory description excludes a road, avenue, street, parkway, highway, route or similar roadway, the Territory excludes the U.S. Postal addresses assigned to either side of such roadway. If a map of the Territory is attached, the map approximates the Territory, but the above legal description controls as to the Territory's precise boundaries.

### SPECIAL STIPULATION TO THE SIEMPRETAX FRANCHISE AGREEMENT **Existing Liberty Franchisee Opening SiempreTax**

To the extent of any conflict between the following and the provisions of the Franchise Agreement, this Special Stipulation shall control:

- 1. Initial Franchise Fee. Section 4(a) of this Agreement concerning the "Initial and Resale Franchise Fee" is modified to provide that the Initial and Resale Franchise Fee is \$0.
- 2. SiempreTax. You have opted to enter into a SiempreTax Franchise Agreement for the same territorial area as your currently owned Liberty Tax Service ("Liberty") franchise as described in Schedule A of each applicable Franchise Agreement ("Territorial Area").
- 3. Royalties. Standard royalty percentages as described in the Franchise Agreement shall apply for any office that is operated, or required to be operated, except that the following is added at the end of Section 4(d) of the Franchise Agreement:
- "(v) For each year that you operate both a Liberty Tax Service office and a SiempreTax office in the Territorial Area, the minimum royalties required under the SiempreTax Franchise Agreement will be waived.
- (vi) The aggregate of royalties paid under your Liberty and Siempre Tax franchise agreements shall be used to calculate whether the minimum royalty has been met."
- 4. In Term Non-Compete. Section 10(a) of the Franchise Agreement shall not apply to your operation of the Liberty Tax Service franchise in the Territorial Area.
- 5. Counterparts. This Special Stipulation may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Stipulation by facsimile or in electronic (e.g. "pdf") format shall be effective as delivery of a manually executed counterpart of this Stipulation. The words "execution," "signed," "signature," and words of similar import in the Stipulation shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paperbased record keeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC § 7001 et seq.) or any other similar state or federal laws.

Except to the extent modified above, the terms of the Agreement remain in full force and effect. SIEMPRETAX LI FRANCHISEE: By: Mariel Garage By: MAMA Yarria) Printed Name: John Haw Title: Effective Date:

# CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT

Section 6.u. of the Franchise Agreement titled "Obligations of Franchisee," "Laws and Regulations" is supplemented to include the following:

You acknowledge that you have read, understand and agree to abide by the Judgment and Permanent Injunction entered by the Superior Court of the State of California in the case of *The People of the State of California v. JTH Tax, Inc. (d/b/a Liberty Tax Service)*, Docket Number CGC-07-460778, requiring that Liberty and its franchisees abide by certain advertising requirements and, in particular, not disseminate or cause to be disseminated any advertisement that directly or indirectly represents a refund anticipation loan as a client's actual refund ("California Injunction"). You further agree to remit to the Attorney General of California a fine in the amount of \$15,000 in the event you commit two breaches of the terms of the California Injunction and agree to hold Liberty and/or SiempreTax harmless for fines assessed against you related to your violation of the California Injunction.

Section 8.b (iii) of the Franchise Agreement regarding termination without notice or opportunity to cure for violation of laws or regulations is supplemented to specifically include the following:

Breach of the California Injunction and/or your failure to remit required fines to the Attorney General of California for your violation of the California Injunction is cause for immediate termination.

Section 19 of the Franchise Agreement titled "Release of Prior Claims" is amended to include the following language:

<u>Unknown or Unsuspected Consequences</u>- The parties understand and acknowledge that this Section applies to and includes all unknown or unsuspected consequences or results arising from or relating to the transactions, occurrences, or agreements referred to in this Section. You represent and warrant that you have read the contents of California Civil Code §1542, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542.

<u>Nature of Release-</u> Each party acknowledges that it has read this Section, that it fully understands the contents of this Section, and that THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS SECTION.

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As required by law, the above Release shall not apply to any liabilities arising under the California Franchise Investment Law or the California Franchise Relations Act.

FRANCHISEE:

SIEMPRETAX LAC

Printed Name: John Hawith

# Siempre Tax+

## Sales Journal Entry

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_					Ex. K	0/24/2014
Buyer: _	Maribel Go		Entity:	5205	Date:	9/24/2014
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Entity/Owne rship Type:	Tenants in Common	paperwork status:	Pending			empreTax +1
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		# of		Territo	ory(s): CA375	
Seller:	n/a T	erritories:	1			
				Sales		
AD/ADC Enti	ty: 3622 N&M Gard	ia		Contact:	Briana Koons/Case	/ Krampen
EOT						
Attended?	?: 7	TRUE	EOT Tr	aining Date:		
Ops Financin	σ		If Yes (ho			
Approved (F		☐ No	much?):			
pp	<u></u>		1			
Purchase Pr	ice:			Financi	ng Type:	
Cash Down P	avment:			P-No	ote Term:	
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Amount(Fina	ncing):			All Ca	sh Deal? 🔲 Yes	☐ No
<u>Sendir</u>	ng to Legal (choose a	ll that apply):		<u>Pendin</u>	g/Still to Come (c	hoose all that apply):
Deposit 6 Franchise BOGO St Conf. Ag State Ad Multiple Delayed Other Bu Delayed Grandfat GC \$\$ LT Promisso Seller De Purchase Transfer	reement LTS dendum LTS T Stip LTS Opening Stip LTS siness Stip LTS EOT Stip LTS ver Stip LTS chered Clients Stip LTS S GC List LTS ory Note bt Guarantee & Sale & Release	Assumption of I AD Debt Guaran We Sell P&S Item 20	ssue) ments HT & LTS of HT of HT Stip HT of HT HT HT GC List HT Oebt Stip of HE	Deposit Franchis BOGO S Conf. Ag State Ac Multiple Delayed Delayed EOT Wa GF Clien GC \$\$ LT Promiss Seller De Purchas Transfer	reement LTS Idendum LTS T Stip LTS Opening Stip LTS usiness Stip LTS EOT Stip LTS iver Stip LTS ts Stip LTS TS GC List LTS ory Note ebt Guarantee e & Sale & Release	Exhibit K Receipt HT Deal Approval (TTDS/FFRF) Franchise Agreements HT BOGO Stip HT Conf. Agreement HT State Addendum HT Multiple T Stip HT Delayed Opening Stip HT Other Business Stip HT Delayed EOT Stip HT GF Clients Stip HT GF Clients Stip HT GC \$\$ HT GC List HT Assumption of Debt Stip AD Debt Guarantee We Sell P&S Item 20
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### **Incident Details**

	t Name: Maribel	Gorosave	6
	ference: English V		(Cyly)
Issue Type —			
	Franchisee Support	V	
Country:	US	× 1	
Category:	Operations	<u> </u>	
Product:	Expansions (Hispanic Brand)	<u> </u>	
Sub Product:	Expansion Initial Request	20 ft-> 20 cc - 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	

@ 9/17/2014 5:18 PM ent 5205 (Nora Garcia & Maribel Gorosave) writes... I would like to open a Hispanic Brand Store in my EL Centro Territory. What documents do I need to submit? Do I have to attend EOT in Texas? Where and how can I do a budget for this new store? I think the sooner I start planning and organizing for this new brand, the better the chances of the outcome will be. Thank you, Maribel Gorosave

Heather Smith writes...

@ 9/19/2014 4:09 PM

Hello!

Great news!

As an existing Zee you can view a condensed EOT via webinar. It will be listed on ZeeNet soon. You would use the same budget template that you would use for Liberty (https://app3.libertytax.net/ExcelDocumentDownloader/Default.aspx). I see you have a Hispanic population of 80.56%.

Development - please disclose and then assign to Leslie O'Conner.

Thanks!

**Heather Smith** 

Leslie O'Connor writes...

@ 9/24/2014 11:21 AM

Maribel was sent the disclosure to maribelgorosave@hotmail.com Thanks!

ent 5205 (Nora Garcia & Maribel Gorosave) writes...

@ 9/24/2014 5:55 PM

Hi Heather,

I open up the Budget template but I cannot add offices to the template, that item comes up blank...I'm not sure if I should do the budget that way anyway or if there's something wrong with the budget template? Could you please advise me on how to proceed.

Leslie O'Connor secretly writes...

@ 9/25/2014 4:17 PM

Oscar,

Do you approved of the zee opening Siempre tax office with the population of 80.56%

Oscar Aujero secretly writes	@ 10/6/2014 6:26 PM
RD approves +1 expansion w/in CA375:7	
<ul> <li>Zee is in a highly Hispanic territory</li> <li>Zee is the sister of Nora Garcia who is a long-time proven operator and is also the AD for the Debt is manageable and this area is right on the U.S./Mexican border.</li> <li>Zee was not on pre-approved list but I believe the opportunity to introduce the SiempreTax</li> </ul>	
Chris Bushey secretly writes	@ 10/6/2014 9:22 PM
OK'	
Oscar Aujero secretly writes	@ 10/6/2014 9:26 PM
Kathy- will you pls. approve \$5k incentive payment? Thank you.	
Kathy, Donovan secretly writes	@ 10/7/2014 7:49 AM
ok)	
Leslie O'Connor writes	@ 10/7/2014 12:33 PM
Congratulations and welcome to the SiempreTax team! Your \$5k for 1 office incentive has be via ACH to your designated bank account on ADMIN. Please work to complete the items we d questions, please feel free to update this issue or contact your Area Developer.	en approved and will be disbursed etalled above. If you have any

### Miscellaneous

5205PRF60.pdf	59.94KB	10/6/2014 6:26 PM	Oscar Aujero
Add Attachments —			
Brow	se		
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Issue Routing
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155ue Routing	
Department: Area Developers (US)	Status: Waiting On Customer V
Person: Oscar Aujero	Priority: Critical

2010.0.0.98

# Incident Details Contact Details Office/Entity ID: 5205 First/Last Name: Maribel Gorosave Callback: Language Preference: English Type: Franchisee Support Country: US Category: Operations Product: Expansions (Hispanic Brand) Sub Product: Expansion Initial Request Summary: ENT5205 would like to open Hispanic Brand in EL CENTRO, CA Territory Comments

ent 5205 (Nora Garcia & Maribel Gorosave) writes	@ 9/17/2014 5:18 PM
I would like to open a Hispanic Brand Store in my EL Centro Territory. What documents do I need to submit? Do I have to attend EOT in Texas? Where and how can I do a budget for this new store? I think the sooner I start planning and organizing for this new brand, the better the chances of the outcome Thank you,	)
Maribel Gorosave	
Heather Smith writes	@ 9/19/2014 4:09 PM
Hello!	The second secon
Great news!	
As an existing Zee you can view a condensed EOT via webinar. It will be listed on ZeeNet soon. You would us template that you would use for Liberty (https://app3.libertytax.net/ExcelDocumentDownloader/Default.aspx Hispanic population of 80.56%.	se the same budget x). I see you have a
Development - please disclose and then assign to Leslie O'Conner.	
Thanks!	
Heather Smith	
Leslie O'Connor writes	@ 9/24/2014 11:21 AM
Maribel was sent the disclosure to maribelgorosave@hotmail.com Thanks!	
ent 5205 (Nora Garcia & Maribel Gorosave) writes	@ 9/24/2014 5:55 PM
Hi Heather,	Aggintum (1966 - 1969) in 1965 (1965) in 1965 (1965
I open up the Budget template but I cannot add offices to the template, that item comes up blankI'm not s budget that way anyway or if there's something wrong with the budget template? Could you please advise n	ure if I should do the ne on how to proceed.
Leslie O'Connor secretly writes	@ 9/25/2014 4:17 PM
Oscar, Do you approved of the zee opening Siempre tax office with the population of 80.56%	And provide the substitute of

@ 10/6/2014 6:26 PM

Oscar Aujero secretly writes...

RD approves +1 expansion w/in CA375:

<ul> <li>Debt is manageable and this area is right on the U.S./Mexican border.</li> <li>Zee was not on pre-approved list but I believe the opportunity to introduce the Siem</li> </ul>	preTax brand justifies \$5K incentive.
Chris Bushey secretly writes	@ 10/6/2014 9:22 PM
ОК	
Oscar Aujero secretly writes	@ 10/6/2014 9:26 PM
katny- will you pis. approve \$5k incentive payment? Thank you.	the state of the s
Kathy Donovan secretly writes	
ok	
Leslie O'Connor writes	@ 10/7/2014 12:33 PM
Congratulations and welcome to the SiempreTax team! Your \$5k for 1 office incentive ACH to your designated bank account on ADMIN. Please work to complete the items we please feel free to update this issue or contact your Area Developer.	has been approved and will be disbursed via
Briana Koons writes	@ 10/19/2014 12:10 PM
Siempre Tax franchise documents have been overnighted to the address provided in A sure to not make any notes or stray marks that may cause a delay in the process. Pleanumbers.  To: 547317035684  Back to LTS: 573623538346	ase see below for the FEDEX tracking
and: 1	
	AND ADDRESS OF THE PROPERTY OF
I received the documents but I have a few questions on them. On the Siempre Tax Franchise Agreement it states Initial and Resale Franchise Fee 2 Royalties, 5000 minimum for first year.	5,000 to 40,000. Also Down payment 20%
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Liberty Issue Tracket 1000 03 6 95 44 C ERT 15 20 Down unterlike to Forcet Hispania Brand en 180. of 211 Page 10 Page 3 of 3 Existing Attachments Date Added By Size **Attachment** 5205PRF60.pdf 59.94KB 10/6/2014 6:26 PM Oscar Aujero Browse... Browse... Browse... Click "Save" to upload the above files. You may attach as many files as you wish, but no more than three files can be attached at once (select your files and upload/save in groups of three until all files are attached). If you have selected a file and no longer wish to upload it, simply clear the text (file path) to the left of the "Browse" button. **Issue Routing** Waiting On Customer Status: Department: Area Developers (US) Priority: Critical Person: Briana Koons

2010.0.0.102

# EXHIBIT

C



FRANCHISE AGREEMENT

**EXHIBIT B** 

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### 1. GRANT OF FRANCHISE

Liberty Tax Service ("Liberty," "Liberty Tax") has developed a system for the operation of tax return preparation offices. The Liberty system utilizes special marketing techniques and operating procedures to facilitate the provision of tax return preparation and related services.

You, meaning the franchisee and all signators identified on the signature page to this franchise agreement ("Agreement" or "Franchise Agreement"), in your personal capacity, have applied for a franchise that utilizes Liberty's system and Liberty's trade names, service marks, and trademarks (collectively, the "Marks") ("Franchised Business" or "Franchise"). Subject to the terms of this Agreement, Liberty grants to you a Liberty Tax Service franchise. This Agreement will allow you to operate a tax return preparation business using Liberty's system and Liberty's Marks within the territory described on Schedule A ("Territory"). You agree to abide by the terms of this Agreement.

You recognize and agree that the nature of the tax return preparation business is such that complete uniformity is not always practical or desirable and that Liberty, in Liberty's sole discretion, may vary the terms of this Agreement and the standards of operation of the Franchised Business to accommodate the peculiarities of a particular situation and/or territory. You have no recourse against Liberty if other franchisees are granted allowances that you are not granted.

### 2. TERM, RENEWAL AND BUYBACK

- **a. Term.** This Agreement will be effective for a five-year term beginning on the effective date specified on the signature page of this Agreement ("Effective Date").
- b. Renewal. You may renew for another five-year term by signing Liberty's then current franchise agreement if you have met the Target Volume specified in Section 6.f. of this Agreement and are otherwise in compliance with this Agreement. You may continue to renew future franchise agreements in this manner if you are in compliance with all agreements between you and Liberty. You must exercise a general release of all claims that you might have against Liberty to renew. Liberty may not raise royalties or advertising fees that you pay to Liberty upon any future renewal, or impose a renewal fee. Further, Liberty may not change the boundaries of your Territory, the level and type of territorial exclusivity or the territorial rights you have. Other terms and conditions may vary. If you wish to renew, you must notify Liberty in writing at least 180 days before the expiration of this Agreement.
- **c. Buyback.** Between May 1 and August 31 of any year, Liberty has the right to purchase your Franchised Business for the greater of \$150,000 or 200% of Gross Receipts of the Territory for the previous twelve months, or such shorter time as an office in the Territory may have been in operation. You understand that this is a premium price above fair value and does not vest any rights in you. The term "Gross Receipts" as used in this Agreement means all revenue from all services and products offered by the Franchised Business (including, but not limited to, revenue from individual, corporate, estate and partnership tax returns), excluding only customer discounts, any transmitter, software or electronic filing fee, and sales tax, but not service fees for credit card transactions.

### 3. TERRITORY

**a. Territory Generally.** Your Territory is described in Schedule A of this Agreement ("Territory").

- b. General Rights & Restrictions. You may operate as many tax return preparation offices in the Territory as you determine to be appropriate. You may not operate outside your Territory. Liberty may grant franchises for areas outside your Territory or operate company offices in such areas. Except as described below, Liberty may not establish franchised or company owned outlets or other channels of distribution of similar products or services in your Territory. Liberty may grant franchises in your Territory that operate a different line of business. Liberty may distribute Liberty tax return preparation products and services by means other than retail or storefront locations in your Territory, including the sale of gift cards for this service. No other franchisee using the Marks may operate a tax return preparation office in your Territory. Liberty may advertise in your Territory. You may not advertise in areas outside your Territory or in media that extends outside your Territory, without Liberty's expressed written approval.
- c. Misplaced Offices. If you locate an office outside your Territory, even if Liberty approved such site location, you agree upon discovery of this fact to promptly abandon the office and refrain from any further targeted solicitation (e.g., direct mail, telephone calls, etc.) of customers residing in the territory containing the misplaced office. If Liberty learns that Liberty or another franchisee has erroneously located an office in your Territory, you agree to accept the abandonment of the office and, in the case of a misplaced office operated by another franchisee, the discontinuation of further targeted solicitation of customers located in your Territory, in full satisfaction of any claim against Liberty, Liberty's past and present employees, and Liberty's past and present franchisees, in relation to the misplaced office. Liberty has a reasonable time to correct any such error after Liberty learns of it. No person or entity is a third-party beneficiary of this Section.
- d. National and Regional Retail Business Outlets. Liberty may negotiate agreements with national or regional retail businesses. If there is an outlet of such a national or regional business in your Territory that is subject to such an agreement, you may choose to operate a tax return preparation service office in that outlet by communicating that decision to Liberty by December 1 before a given Tax Season, or such earlier date provided by Liberty in order to meet the requirements of that business. If you choose not to operate in an outlet that exists in your Territory, Liberty may operate in that outlet in your Territory and all associated revenue and expenses shall belong to Liberty. Additionally, Liberty will retain the right to service the customers associated with that outlet in the future.

### 4. FEES AND PAYMENTS

- **a.** Initial and Resale Franchise Fee. The initial franchise fee and resale franchise fees are \$40,000. The resale franchise fee applies to a territory that has been previously sold. If a territory includes existing operations, the total cost will vary depending upon the Gross Receipts of the Territory and other pertinent market and economic factors.
- b. Down Payment and Approval. You must submit a minimum of 20% of the initial or resale franchise fee as a deposit after you have held the Liberty Franchise Disclosure Document for at least fourteen (14) calendar days and prior to attending Effective Operations Training ("EOT"). Liberty will refund this deposit to you upon your request at any time before you attend EOT. If you receive financing, you will be required to submit a deposit of up to \$25,000 prior to closing for your operational expenses ("Operational Supply Deposit"). We will refund to you the initial or resale franchise fee (including deposits) if we do not approve your application or if you do not pass EOT in accordance with our passing standards, provided that you return to us all materials which we distributed to you during training. After closing, Liberty will hold and make available for return to you any Operational Supply Deposit that you were required to submit, upon your written request to Liberty with substantiation as to the expenses to be paid by you with the Operational Supply Deposit. We do

not pay interest on the Operational Supply Deposit. The initial and resale franchise fee is fully earned and nonrefundable when both parties execute this Agreement.

- c. Reverse Royalty. If Liberty receives tax preparation fees from individuals located in your Territory through the use of Liberty's online tax preparation services while you have a Liberty Tax Service office open in that Territory, Liberty agrees to use commercially reasonable means to track and identify those revenues and pay or credit to you 14% of those tax preparation fees within sixty (60) days after the end of each Tax Season in its sole discretion. The term "Tax Season" means the time period of January 2 April 30.
- **d. Royalties.** You must pay a royalty to Liberty in the amount of 14% of Gross Receipts subject to the following minimums ("Minimum Royalties"):
  - i) Year One. For the period ending April 30 following the Effective Date of this Agreement, if you operated or were required to have operated an office in the Territory for any part of Tax Season ending in that April, the minimum royalty is \$5,000 per Territory.
  - (ii) Year Two. For the period beginning May 1 following the Effective Date of this Agreement through the following April 30, the minimum royalty is \$8,000 per Territory.
  - (iii) **Year Three and Beyond.** Thereafter, the minimum royalty is \$11,000 per Territory for each successive period beginning May 1 through the following April 30.
  - (iv) **Developed Territory.** For a territory that contains or that had in the most recent Tax Season prior to the Effective Date of this Agreement, an existing company, franchisee or other Liberty tax preparation office ("Developed Territory"), you must pay royalties as set forth above depending upon how long any office has been operated in the Territory. For example, if it is your first year operating in a territory but an office has been operated in the Territory by Liberty or another franchisee through one Tax Season, then the Territory would be subject to Year Two royalties for the year that you first operate in the Territory. An office includes, but is not limited to, locations such as kiosks or temporary locations where tax return preparation services are provided.
- **e. Area Developers.** If you are in or become part of an area covered by an Area Developer, Liberty may pay to the Area Developer a portion of the initial franchisee fee and royalties that you pay to Liberty.
  - f. Advertising Fee. You must pay an advertising fee of 5% of the Gross Receipts each month.
- **g. Payment Period.** You must pay the royalty owed by the 5th of each month based on Gross Receipts for the preceding month, and any balance owed to achieve Minimum Royalty on May 5 for each fiscal year ending April 30. You must pay advertising fees by the 5<sup>th</sup> of each month based on Gross Receipts for the preceding month. Liberty reserves the right to modify this payment schedule in Liberty's Operations Manual.
- h. Interest. You must pay interest of 12% (compounded daily) per year, or the maximum permitted by law if less, on any amounts owed to Liberty that are more than fifteen (15) days past due.
- i. Transfer Fee. If you transfer your Franchised Business, or a majority ownership interest in it, you must pay Liberty a transfer fee of \$5,000 at the time of transfer. This fee is subject to increase or decrease in future franchise agreements by the amount of change in the *Consumer Price Index All*

*Urban Consumers*, published by the U.S. Department of Labor, or a reasonably similar successor index, from the index as of the Effective Date.

- j. Customer Refunds, Penalty and Interest, Send a Friend. If you do not resolve a customer service complaint or pay penalty and interest on an erroneous return prepared in your office, or misdeliver a customer check, or fail to pay a Send a Friend or E-Send a Friend referral, and the customer contacts Liberty, if Liberty believes there is a reasonable basis for the complaint, payment of penalty and interest, or payment of the Send a Friend referral, Liberty may issue a refund of fees paid by the customer, pay to the customer the penalty and interest or amount of misdelivered check, or pay the Send a Friend referral, and bill you. You agree to pay the charges. Your obligation to pay penalty and interest for tax return preparation errors made by you continues after the expiration or termination of this Agreement or sale of the Franchised Business.
- k. Automatic payment transfer. All of the tax preparation, transmitter, software, and electronic filing fees, and any rebates that you receive from Financial Products or customers who purchase Financial Products, shall initially be paid to Liberty. The term "Financial Products" as used in this Agreement means refund-based loan programs and/or a means for customers to obtain a refund using electronic deposit services that Liberty, or a company associated with Liberty, may offer to you. Liberty will remit any remaining balance to you from the above described fees and rebates after deducting monies you owe to Liberty and deducting monies to hold for application to upcoming amounts due to Liberty.
- 1. Sales or Gross Receipts Tax. If required by the state or locality where your Territory is located, the initial franchise fee, royalties, and advertising fees will be subject to sales or gross receipts tax. You must pay these taxes to Liberty at the same time and in the same manner as you pay the royalties and fees to Liberty.
- m. Transmitter, Software, or Electronic Filing Fee. Liberty reserves the right to impose a fee charged to you or customers related to transmission of Financial Products, the provision of software, or the electronic filing of tax returns and, if charged to customers, may rebate a portion of the fee to you. Liberty may vary the dollar amount of the fee and may change its name. Any such fee is not included in your Gross Receipts.
- **n.** Call Center. If you elect to use Liberty's call center to handle customer appointments, customer follow up, tax school calls, or other calls, you must pay to Liberty a fee for each such call pursuant to Liberty's schedule of call center charges. This schedule is subject to future modification by Liberty.
- o. Cash in a Flash Financing Set up Fee. If you elect to apply for cash in a flash financing through Liberty, you must pay to Liberty any set up fee that Liberty imposes pursuant to Liberty's schedule of fees. This schedule is subject to future modification by Liberty.
- p. Assessment Related to Understatement of Revenues. Pursuant to the rights and obligations specified in Section 7 of this Agreement, if Liberty determines that you are underreporting Gross Receipts, you must pay to Liberty the additional royalties on the undisclosed amount. If the excess determined following a review is more than two percent (2%) of the Gross Receipts for the period in question, you must also pay the costs of the review. Additionally, if a review results from your failure to maintain and/or provide records as required in Section 7, you must pay the costs of the review, regardless of the result. The costs of any review pursuant to the terms of this Agreement shall be determined by Liberty. Liberty's acceptance of payments of royalties or Gross Receipts reports shall

be without prejudice and shall in no case constitute a waiver of Liberty's rights to claim any delinquent royalties, or to require a review of your books of accounts and records, as provided for herein.

### 5. OBLIGATIONS OF FRANCHISOR

- **a.** Training. Liberty provides for new franchisees a required five (5) day or longer EOT and a required one (1) day Hands on Training ("HOT") taught by an existing franchisee at their Liberty Tax office. Liberty does not charge for EOT or HOT but you are responsible for all expenses you incur as a result of training, such as travel, lodging and meals.
- **b.** Operations Manual. Liberty will loan you a copy of Liberty's Operations Manual ("Manual") to offer guidance in the operation of your Franchised Business.
- **c. Site Selection.** Liberty provides guidance and advice to you regarding the selection of the location of your office(s). You may not sign a lease or locate an office until Liberty approves the location of your office. Liberty's approval of the location of a site is not a guarantee of success in that location or a warranty or assurance as to any aspect of the office or its location.
- d. Advertising and Marketing. Liberty raises fees related to marketing through the advertising fees paid under Liberty's franchise agreements. Liberty will contribute advertising fees from company offices. Liberty disburses advertising fees to develop, produce, distribute and/or conduct advertising programs, marketing programs, public relations, and marketing research. Liberty spends advertising fees on a national, regional or local basis for television, electronic, radio and print advertising as Liberty determines to be appropriate. Liberty may produce advertising in-house and/or through an advertising agency. Liberty pays all costs of such activities, including a share of corporate overhead related to advertising and marketing, with advertising fees. You may also use your own advertising material provided that Liberty first approves it for compliance.
  - e. Software. Liberty provides tax return preparation software.
- **f. Tax and Technical Support.** Liberty provides reasonable telephone and/or internet support for your questions regarding federal and state individual income tax return preparation, electronic filing, and the use of software specified by Liberty. However, Liberty will not provide support on any equipment that does not meet Liberty's then current specifications or relates to the operating system of a computer.
- g. Electronic Filing. Liberty provides the ability to electronically file individual federal and some individual state tax returns if such method of filing is reasonably available from the respective taxing authority. You must have a valid Electronic Filing Identification Number ("EFIN").
- h. Financial Products. If reasonably available and feasible (in Liberty's sole determination), Liberty will offer you the ability to participate in Financial Products. If offered, your participation in Financial Products programs is subject to mutual agreement between you, Liberty and the Financial Products provider.
- i. Operational Support. Liberty advises you in the budgeting for and operation of your Franchised Business.
- j. Advanced and Update Training and Conference Calls. Liberty provides and may require your attendance at advanced training for experienced franchisees. Liberty also provides and requires attendance by all franchisees at update training. Liberty may offer advanced and update training at

various sites that Liberty selects across the country, or Liberty may offer such training on the web or electronically. The agenda for advanced training varies, but often will focus on improving business management skills in order to increase profitability. Liberty does not charge for advanced or update training, but you are responsible for all expenses that you incur as a result of attending training, such as travel, lodging and meals. Liberty may also require that you attend a reasonable number of toll free conference calls to learn the latest operational and marketing tips. Such calls may either be attended live or through online replay.

- **k.** Supply Source. Liberty will offer for sale or locate a source for purchasing supplies, forms and equipment that may be necessary to conduct the Franchised Business, as reasonably determined by Liberty.
- l. Leasing. Liberty may make arrangements to refer you to a company that offers leasing of furniture, fixtures, signs, equipment, and possibly provides loans for franchise fees and working capital. These leasing or loan programs will be financed and administered by a third party. Liberty cannot guarantee that you will be offered leasing or loans, as the third party company will make individual determinations.
- m. Financing through Liberty. Liberty may, in Liberty's sole discretion, provide financing for a portion of the initial franchise fee or other costs associated with the Franchised Business. The terms of such financing are subject to change. You must be in compliance with this Agreement to qualify for any such financing. Further, if Liberty provides financing to you, you agree to submit monthly financial information to Liberty including, but not limited to, an income statement, balance sheet, and supporting documents. You agree to provide any requested document at the time and in the format required by Liberty.
- **n. Group Discounts.** Liberty may provide you with the opportunity to participate in group purchasing programs that offer group discounts. The discounts and terms for these opportunities will vary.
- **o.** Area Developers. In those areas where Liberty presently or in the future uses an Area Developer, Liberty reserves the right to delegate some portion of the responsibility for the following duties to the Area Developer: site selection assistance, limited marketing assistance, and operating assistance. However, Area Developers do not have any authority to approve advertising or marketing material of any kind.

#### 6. OBLIGATIONS OF FRANCHISEE

a. Training. You must attend and successfully complete Liberty's EOT and HOT before you may operate a Liberty office. Liberty may allow or require a general manager to attend on your behalf.

#### b. Use of Liberty Marks.

- (i) Liberty allows you to use Liberty's Marks. Liberty allows you to use Liberty's Marks to hold out your Liberty Tax Service business to the public. You agree to exclusively use Liberty's Marks as Liberty develops them for this purpose only.
- (ii) You must obtain prior advertising approval. You must either use pre-approved advertising templates that Liberty or Liberty's approved vendors provide, or you must obtain Liberty's prior written consent before using the Marks in any way and before using any marketing or promotional material, including internet advertising.

- (iii) **No private website allowed.** You may not have a website for your Franchised Business without Liberty's prior written approval.
- (iv) Marketing to National Companies. You must obtain written permission from Liberty before marketing on the premises (building and parking lot) of any national company. National companies include, by way of example, Wal-Mart, K-mart, and Sears.
- (v) No use of "Liberty" within a company name. You may not use the word "Liberty" or "Libtax" as any part of the name of a corporation, LLC or other entity. However, "Liberty Tax Service" followed by your entity number shall be your "doing business as" name for an entity that owns this Franchise, sometimes also called your "assumed name," "trading as" name, or "fictitious name."
- (vi) No confusingly similar marks. You agree not to use any marks which could be confused with Liberty's Marks.
- (vii) Liberty may update or change Liberty's Marks. Liberty may replace, modify or add to the Marks. If Liberty replaces, modifies or creates additional marks, you agree to update or replace your signs, supplies, etc., to reflect the new marks in the time frame Liberty provides and at your own expense. Liberty will not change exterior signage requirements more than once every four (4) years unless legally required.
- **c. Signs.** You must display an exterior lighted sign at each of your offices. Liberty must approve all signs before you order or display them.
- d. Starting Date. In a territory that has not contained or had in the most recent Tax Season an existing company, franchisee or other Liberty tax preparation office ("Undeveloped Territory"), you agree to begin operation and be open for business no later than the January 8 following the Effective Date of this Agreement and agree to be open for business no later than the January 2 for each year thereafter. For a Developed Territory, you agree to begin operations and be open for business no later than the January 2 following the Effective Date of this Agreement and for every year thereafter.
- e. Operating Hours. You agree to exercise your best efforts to promote the Franchised Business and agree, at a minimum, to be open for business during the hours specified in the Operations Manual.
- **f. Target Volume.** You must use your best efforts to promote the Franchised Business. Beginning in your fifth (5<sup>th</sup>) Tax Season and continuing in each Tax Season thereafter, you must prepare at least 1000 federal income tax returns in your Territory ("Target Volume").
- g. Software. You must use the software that Liberty provides. You may not use, install or allow to be installed any other federal or state personal income tax return preparation or electronic filing software on any computers used in the Franchised Business without Liberty's prior written consent.
- h. Telephone Number and Email Account. You must obtain and maintain a Liberty Tax Service telephone number to be used solely to transact the Franchised Business. You may purchase a white and yellow page listing through our approved vendor and may be required to purchase a yellow page advertisement and/or contribute to a group listing or advertisement per Liberty's recommendations. You also must provide and maintain an email account sufficient for communications between you and Liberty.

- **i.** Equipment. You must obtain and use a computer system that meets Liberty's current specifications and any modifications to these specifications. All work stations, including tax return preparation and processing computers, must be purchased from Liberty's approved vendor. Liberty may update the specifications. When the specifications are updated, you must update or upgrade the computer system, at your sole cost. Specifications will not be updated during a Tax Season except upon an emergency, as reasonably determined by Liberty.
- **j.** Insurance. During the term of this Agreement, you must procure and maintain an insurance policy or policies with at least the following coverage or such other coverage as may be specified in the Operations Manual: (i) Comprehensive General Liability of \$1 million per office, (ii) Worker's Compensation as required by your state law. You must name Liberty as an additional insured on these policies.
- **k.** Electronic Filing. If Liberty provides or recommends a source for electronically filing tax returns, you are required to offer electronic filing and to use this source exclusively for all electronic filing.
- **l.** Financial Products. In the event that Liberty negotiates an agreement with a third party Provider to allow you to offer Financial Products, you are required to exclusively use such Providers as Liberty designates and to offer Financial Products to your customers.
- m. Operations Manual. You acknowledge the importance of consistency of quality, service and operation among all Liberty Tax franchised offices and, therefore, agree to operate the Franchised Business in conformity with all standards to be maintained, techniques and operating procedures that Liberty may prescribe in Liberty's manuals or otherwise in writing, and to refrain from deviating therefrom without Liberty's prior written consent. Liberty will loan you a copy of the Manual and provide you with other relevant manuals. Liberty may modify the Manual or any other manual, in order to adjust for competitive changes, technological advancements, legal requirements and attempts to improve in the marketplace. You agree to operate the Franchised Business according to the manuals and any modifications including, but not limited to, the Manual, as may be updated or supplemented by memoranda, bulletin, email or other similar mechanism that together with the Manual, contain the mandatory and suggested procedures and specifications that are prescribed for the Franchised Business.
- **n. Participation.** You agree that the services of the Franchised Business will be provided under your direct supervision and control and/or under the direct supervision and control of a full-time general manager who has been approved by, and not later disapproved by Liberty. Liberty will not approve a general manager prior to their successful completion of EOT.
- **o. Return Check.** You must prepare each income tax return accurately and in accordance with federal, state and local laws. You must check each return thoroughly.
- **p. Tax School.** If you complete EOT before September 1 of the year of the Effective Date of this Agreement, and in any event during every year after your first Tax Season, you must conduct an intensive 6 to 10 week tax course in the period of September through December in accordance with the specifications in the Manual. Additionally, you must conduct a one-week tax course during every January, including the January of your first (1<sup>st</sup>) Tax Season, in accordance with the specifications in the Manual.
- q. Employee Training. You shall conduct and require each of your employees to attend an employee policy and procedure training course as specified by Liberty. You are solely responsible for

hiring, firing, compensating, paying applicable payroll taxes and day to day supervision and control over your employees.

- **r.** Customer Service. You shall employ and train sufficient personnel to accommodate all customers without undue delay. You shall provide all services and abide by all customer service policies described in the Manual, including, but not limited to, the money back guarantee. You must operate in a manner that protects the goodwill, reputation and Marks of the Franchised Business.
- **s. Office Condition.** You shall maintain offices that are neat and professional in appearance. Further, you may not offer products or services through your Liberty offices other than the franchise services authorized here (i.e., tax preparation, electronic filing, and Financial Products, all processed and reported through Liberty's systems) without Liberty's prior written approval.
- t. Supplies and Furniture. You agree that in order to establish a standard and consistent delivery of Liberty Tax services, certain items must be used in the operation of the Franchised Business. You must use the items set forth as required in the Manual (e.g. client envelopes and folders, interview worksheets, interior signs sets). You are responsible for the cost of all items needed to conduct the Franchised Business including, but not limited to, supplies, furniture, equipment, leasing and real estate costs.
- **u. Laws and Regulations.** You agree to comply with all federal, state and local laws, regulations, ordinances and the like. You will abide by all legal requirements and be solely responsible for securing any necessary permits, certificates, licenses and consents to operate your business.
- v. Audits. If the IRS or any governmental agency audits or investigates your Liberty Tax operations, or otherwise requires that you provide documents to the IRS related to the Franchised Business, you agree to notify Liberty promptly upon receiving notice of the audit, investigation or request for documents. You agree to promptly provide Liberty with the findings of any audit or investigation.
- w. EFIN. You must obtain by January 2 of your first Tax Season and maintain throughout the entire term of this Agreement, an EFIN from the IRS. You hereby authorize the IRS and any state tax authority to disclose to Liberty the reasons for any EFIN denial or suspension and to provide Liberty with copies of all EFIN application materials, suspension and denial notices.
- x. Site Selection and Leases. As described in Section 5.c., Liberty provides guidance to you regarding the selection of the location of your office and all office locations must be approved by Liberty prior to your execution of a lease for that site. You are required to attempt to ensure that any lease entered into for an approved location contains a provision that the lessor consents to an assignment of the lease to Liberty with the right to sublease at Liberty's option. You agree to provide Liberty with a copy of the lease for each approved location within seven (7) days of execution.

#### 7. REPORTS AND REVIEW

- a. Gross Receipt Report. You must send Liberty a Gross Receipt report in the manner and form and at the times Liberty specifies. Presently, you must report your Gross Receipts on the fifth (5th) of the month for Gross Receipts received during the prior month.
- **b. Profit and Loss.** By May 30 of each year, you must send Liberty an unaudited profit and loss statement of the Franchised Business, in the manner and form Liberty specifies, for the twelve (12) month period ending April 30.

- c. Review. You agree to permit Liberty and/or Liberty's agents the right to enter your Liberty Tax offices during normal business hours, without prior notice, and inspect your operations and inspect and copy all of your paper and electronic business records related to the Franchised Business and any other operations taking place at your Franchised Business. This includes, but is not limited to, the right to inspect and copy all tax returns and bank statements that may be indicative of revenues from the Franchised Business. Liberty also has the right to require that you implement a plan to resolve issues that Liberty discovers.
- d. Mail Reviews. If Liberty requests a copy of your customer receipts (paper and/or electronic) or any other business records, including, but not limited to customer taxpayer records related to the Franchised Business, you must send Liberty these records at your expense within five (5) days of receiving Liberty's request.
- e. Electronic Review. Liberty may cause programs to run on your computer systems that may send information to Liberty. Liberty agrees that the use of such programs will not unreasonably interfere with your operation of the Franchised Business and you agree to allow such programs to run without interference by you. You hereby grant Liberty the right to access the computer systems in your office and authorize Liberty to obtain any and all information related to the Franchised Business. You acknowledge that Liberty will use information obtained from your computer system to make business decisions.
- **f.** Costs of Review. Depending on the circumstances, you may be responsible for the costs of a review as more fully set forth in Section 4(p).
- **g.** Background Information. You authorize Liberty to obtain background information relating to your employment, credit and financial history and criminal and driving records during the term of this Agreement.

#### 8. TERMINATION

- **a.** Nonrenewal. You may terminate this Agreement by not renewing; that is by not notifying Liberty in writing of your desire to renew at least one hundred eighty (180) days prior to the expiration of this Agreement. If you terminate pursuant to this Section, you must still comply with all of the post-termination provisions of this Agreement.
- **b.** Termination Without Notice and Opportunity to Cure. Liberty may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:
  - (i) If you become insolvent, are unable to pay debts as they come due or take any steps to seek protection from creditors, or if a receiver (permanent or temporary) is appointed by a creditor or a court of competent authority, or if you make a general assignment for the benefit of creditors;
  - (ii) If a final judgment of record against you or your Franchised Business remains unsatisfied for thirty (30) days or longer;
  - (iii) If we determine that you, or someone acting under your supervision and control, has committed a material violation of any law, ordinance, rule or regulation of a governmental agency or department reasonably associated with the operation of the Franchised Business;

- (iv) If you abandon the Franchised Business or discontinue the active operation of the Franchised Business for three (3) business days during any Tax Season or seven (7) business days otherwise, except where active operation was not reasonably possible;
- (v) If you fail to open for business in the Territory by January 2 or January 8 of any year, as specified pursuant to Section 6.d.;
- (vi) If you operate any offices or advertise outside the Territory without Liberty's permission;
- (vii) If you fail to meet the Target Volume specified in Section 6.f. above in the Territory during your fifth Tax Season or in any Tax Season thereafter;
- (viii) If you fail to use the software, electronic filing services or Financial Products Liberty provides or recommends;
- (ix) If you do not obtain an EFIN from the IRS for each office in the Territory by January 2 of your first Tax Season or if any of such EFINs are suspended for any reason at any time thereafter;
- (x) If you include a materially false representation or omission of fact in your Confidential Franchise Application to Liberty or if you under-report Gross Receipts, falsify financial data, make a false submission with regard to any required reports or otherwise commit an act of fraud with respect to your acquisition or operation of the Franchised Business or your rights or obligations under this Agreement;
- (xi) If you commit three (3) or more breaches of this Agreement, the Operations Manual, or any other agreement (including promissory notes) with Liberty, in any twelve (12) month period regardless of whether such breaches were cured after notice; or
- (xii) If you fail to timely execute all documents necessary for renewal.
- c. Termination with Notice and Opportunity to Cure. No fewer than seven (7) days after Liberty has sent you notice of your opportunity to cure, Liberty may terminate this Agreement if:
  - (i) You violate any term or condition of this Agreement, the Operations Manual, or any other agreement with Liberty;
  - (ii) Any amount owing to Liberty, whether related to the Territory or not, is more than thirty (30) days past due;
  - (iii) You fail to comply with IRS standards applicable to e-file providers as stated in IRS Publication 1345 or another or successor IRS publication applicable to e-file providers; or
  - (iv) You are more than sixty (60) days in default of any loan, lease or sublease agreement with a third party, affecting the Franchised Business.

#### 9. POST-TERMINATION OBLIGATIONS

If this Agreement expires, is not renewed or is terminated for any reason by any party, including a sale of the Franchised Business, you must immediately:

- a. Sell to Liberty (if Liberty elects pursuant to Section 11) any or all equipment, signs, trade fixtures, and furnishings used in the Franchised Business, or if Liberty does not so elect, remove all Marks or other distinguishing indicia from all of your offices and other premises; and
- **b.** Stop identifying yourself as a Liberty Tax franchisee, never hold out as a former Liberty Tax franchisee and forever cease the use of any of the Marks or any other marks that may be confused with the Marks; and
- c. Stop using all literature and forms received from Liberty and other items bearing the Marks; and
- d. Pay to Liberty all amounts owing to Liberty, whether related to the Territory or not; and
- e. Transfer to Liberty all telephone numbers, listings and advertisements used in relation to the Franchised Business and deliver to Liberty copies of such documents of transfer; and
- f. Assign to Liberty (if Liberty elects), and upon lessor's consent, any interest that you have in any lease, sublease or any other agreement related to the Franchised Business; and
- g. Deliver to Liberty any original and all copies, including electronic copies and media, of lists and other sources of information containing the names, addresses, e-mail addresses, or phone numbers of customers of the Franchised Business; and
- **h.** Deliver to Liberty any original and all copies, including electronic copies and media, containing customer tax returns, files, and records; and
- i. Deliver to Liberty the copy of the Manual and any updates which Liberty loaned to you; and
- j. Cancel all fictitious name listings which you have filed that utilize any of the Marks; and
- **k.** Adhere to all applicable provisions contained herein including, but not limited to, the post-term covenants not to compete and not to solicit.

#### 10. ADDITIONAL IN-TERM AND POST-TERM COVENANTS

- a. In-Term Covenant Not to Compete. During the term of this Agreement, you agree not to directly or indirectly, for a fee or charge, in the United States or Canada, prepare or electronically file income tax returns, or offer Financial Products, except in your capacity as a Liberty Tax Service franchisee using the Liberty Tax Service system to offer such products and services.
- **b. Post-Term Covenant Not to Compete.** For a period of two (2) years following the termination, expiration, transfer or other disposition of the Franchised Business, or your removal as a Signator to this Agreement, you agree not to directly or indirectly, for a fee or charge, prepare or electronically file income tax returns, or offer Financial Products, within the Territory or within twenty-five (25) miles of the boundaries of the Territory.
- c. Liquidated Monetary Damages. If you fail to comply with either of the above covenants not to compete, you agree to pay Liberty, as partial liquidated monetary damages, royalties and advertising fees as set forth in Section 4 of this Agreement against the greater of: (1) the total Gross Receipts during your last fiscal year (May 1- April 30) of operation for each Territory in which you are in

breach; or (2) the total revenue you received in breach of a covenant not to compete. The greater of these two dollar figures shall be multiplied by two (2) to give consideration to lost, repeat, and referral business to Liberty. You acknowledge that any breach of the covenants not to compete causes damage to the integrity of Liberty's franchised system, loss of franchisee and customer goodwill and irreparable harm. You specifically acknowledge that the full measure of these damages is greater than that specified herein.

- d. Covenant Not to Solicit. For a period of two (2) years following the termination, expiration, transfer or other disposition of the Franchised Business, or your removal as a Signator to this Agreement, you agree that you will not, within the Territory or within twenty-five (25) miles of the boundaries of the Territory, directly or indirectly solicit any person or entity served by any of your prior Liberty offices within the last twelve (12) months that were a Liberty franchisee, for the purpose of offering such person or entity, for a fee or charge, income tax preparation, electronic filing of tax returns, or Financial Products. You further agree for a period of two (2) years following the termination, expiration, transfer or other disposition of the Franchised Business, or your removal as a Signator to this Agreement, not to employ or solicit for employment without Liberty's prior written consent any of Liberty's employees or those of any other of Liberty's franchisees, or induce any such employee to leave his or her employ.
- e. Covenant Not to Lease. You agree that during the term of this Agreement, you will not lease, sub-lease, assign or guaranty a lease in the Territory to or for a person or entity who will offer income tax preparation at such an office. You also agree that upon the termination or expiration of this Agreement, if Liberty or a duly authorized Liberty franchisee desires to use any of your former Liberty office locations in the Territory, you will use reasonable good faith efforts to help Liberty secure possession of the office locations through a lease assignment or otherwise. Otherwise, you agree to use reasonable, good faith efforts to ensure that, for a twenty-four (24) month period after non-renewal or termination of this Agreement, no person or entity will offer income tax preparation at the properties where your former Liberty offices were located. "Good faith efforts" include a duty not to sub-lease or assign the leases of your office location to a person or entity who will offer income tax preparation at such office locations.
- **f.** No Harmful Acts. You agree not to disparage Liberty or its current and former employees or directors. During the term of this Agreement, you also agree not to do any act harmful, prejudicial or injurious to Liberty.
- g. Section 10 Conditions Required for Grant of Franchise. You hereby acknowledge that the qualifications to be a Liberty franchisee are special, unique and extraordinary, and that Liberty would not enter into this Agreement without the inclusion of the conditions set forth in Section 10.
- h. Waivers. You acknowledge and agree that the provisions of Section 10 are reasonable, valid and not contrary to the public interest. You waive all defenses to the strict enforcement of Section 10. You further agree that Liberty is entitled to a temporary restraining order, preliminary and/or permanent injunction for any breach of duties under any of the non-monetary obligations of Sections 9 and 10. You hereby waive any requirement that Liberty post a bond related to any temporary restraining order or injunctions requested as a result of an alleged violation of Sections 9 and 10.
- i. Survival. The covenants contained in Section 10 shall survive any termination or expiration of this Agreement.
- **j.** Severability. If any covenant or provision within Section 10 is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and

shall not affect or impair the validity of any other covenant or provision of this Agreement. Further, these obligations are considered independent of any other provision in this Agreement, and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this Agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

#### 11. OPTION TO PURCHASE ASSETS

Upon termination or expiration of this Agreement, you hereby grant Liberty or its assignee the option to purchase from you some or all of the assets (including, but not limited to, supplies, equipment, signs, furnishings and fixtures) of the Franchised Business. Liberty may exercise this option by transmitting notice to you within thirty (30) days from the effective date of expiration or termination. If Liberty elects to exercise this option, the purchase price for the assets of the Franchised Business, will be the "adjusted book value" as described below. Liberty will have the right to set off and reduce the purchase price by any and all amounts owed by you to Liberty or any of Liberty's affiliates. The "adjusted book value" is the book value of the assets of the Franchised Business as listed on the balance sheet in the financial statements of the Franchised Business as of the date of the termination or expiration. There shall be no allocation for goodwill or any similar adjustment in the adjusted book value.

#### 12. CONFIDENTIAL INFORMATION

- a. Disclosure. Liberty possesses confidential information including, but not limited to, methods of operation, service and other methods, techniques, formats, specifications, procedures, information, systems, knowledge of and experience in operating and franchising offices, customer information and marketing information ("Confidential Information"). Liberty may disclose some or all of the Confidential Information to you and your representatives while you operate the Franchised Business. During the term of this Agreement and following the expiration or termination of this Agreement, you covenant not to directly or indirectly communicate, divulge, or use any Confidential Information for your personal benefit or the benefit of any other person or legal entity except as specifically provided by the terms of this Agreement or permitted by Liberty in writing prior to disclosure. Upon the transfer, expiration, termination or nonrenewal of this Agreement, you agree that you will never use or disclose, and will not permit any of your representatives to use or disclose, Liberty's Confidential Information in any manner whatsoever, including, without limitation, in the design, development or operation of any business substantially similar to the Franchised Business. This provision shall not apply to information that: (i) at the time of disclosure is readily available to the public; (ii) after disclosure becomes readily available to the trade or public other than through breach of this Agreement; (iii) is subsequently lawfully and in good faith obtained by you from an independent third party without breach of this Agreement; (iv) was in your possession prior to the date of our disclosure to you; or (v) is disclosed to others in accordance with the terms of a prior written authorization between you and Liberty. The protections granted in this Section shall be in addition to all other protections for Confidential Information provided by law or equity.
- **b.** Interest. You will acquire no interest in Liberty's Confidential Information, but are provided the right to use Confidential Information disclosed to you for the purposes of developing and operating the Franchised Business pursuant to this Agreement. You acknowledge that it would be an unfair method of competition to use or duplicate any Confidential Information other than in connection with the operation of the Franchised Business. No part of the Liberty Tax franchise system nor any document or exhibit forming any part thereof shall be distributed, utilized or reproduced in any form or by any means, without Liberty's prior written consent.

c. Use. You agree that you will: (i) refrain from using Confidential Information for any purpose other than the operation of the Franchised Business pursuant to this Agreement; (ii) maintain absolute confidentiality of Confidential Information during and after the term of this Agreement; (iii) not make unauthorized copies of any portion of Confidential Information; and (iv) adopt and implement all reasonable procedures, including, but not limited to, those required by Liberty, to prevent unauthorized use of or disclosure of Confidential Information, including, but not limited to, restrictions on disclosure to your employees and the use of nondisclosure and non-competition clauses in employment agreements with employees that have access to Confidential Information.

#### 13. INDEPENDENT CONTRACTOR

You and Liberty are independent contractors to each other. Neither you nor Liberty are an agent, fiduciary, partner, employee, or a participant in a joint venture and neither you nor Liberty have the authority to hold out as such to third parties. You do not have any authority to bind or obligate Liberty. Liberty is not and will not be liable for any act, omission, debt, or other obligation of yours.

You are responsible for all claims, demands, losses, damages and/or contractual liability to third parties related to the operation of the Franchised Business. You agree to defend, indemnify and hold Liberty and its employees harmless from all claims, demands, losses, damages, and/or contractual liability to third parties.

#### 14. DEATH OR INCAPACITY

- **a.** Assistance and Reimbursement. In the event of the death or incapacity of Franchisee, Liberty is entitled, but not required, to render assistance to maintain smooth and continued operation of the Franchised Business. Liberty shall be entitled to reimbursement from Franchisee or Franchisee's estate for reasonable expenditures incurred.
- **b.** Time Requirements. Pursuant to this Section, death or incapacity shall not be grounds for termination of this Agreement unless:
  - i) Franchisee or his/her legal representative fails for a period of one hundred eighty (180) days after such death or incapacity to commence action to assign this Agreement according to controlling state law regarding the affairs of a deceased or incapacitated person and the terms of this Agreement; or
  - ii) Such assignment is not completed within one (1) year after death or incapacity.
- c. Termination. Liberty shall have the right to terminate this Agreement if one of the conditions listed in 14(b) are not satisfied within the time frame provided. Nothing in this Section shall be construed to limit the provisions of Section 8 regarding termination. Further, the terms and conditions of Section 15 apply to a transfer upon death or incapacity.

#### 15. ASSIGNABILITY AND FIRST RIGHT OF REFUSAL

a. Assignability Generally. Liberty may assign this Agreement to an assignee who agrees to remain bound by its terms. Liberty does not permit a sub-license of the Franchise. Your interest under this Agreement or your ownership in the Franchise may be transferred or assigned only if you comply with the provisions in this Section. No interest may be transferred unless you are in full compliance with this Agreement and current in all monies owed to Liberty. Pursuant to Liberty's request, any

transfer of an ownership interest in this Agreement must be joined by all signatories to this Agreement, except in the case of death or legal disability.

- b. First Right of Refusal. If you have received and desire to accept a signed, bona fide offer to purchase or otherwise transfer the Franchise or any interest in the Franchise, Liberty shall have the option ("Right of First Refusal") to purchase the Franchise or interest. You shall offer the Right of First Refusal by providing written notice to Liberty and including a copy of the signed offer to purchase that you received (collectively "Notice"). Liberty shall have the right to purchase the Franchise or interest in the Franchise for the price and upon the terms set out in the Notice; however, Liberty may substitute cash for any non-cash form of payment proposed and Liberty shall have sixty (60) days after the exercise of Liberty's Right of First Refusal to close the purchase. Liberty will notify you in writing within fifteen (15) days of receipt of the Notice if it plans to exercise the Right of First Refusal. Upon the transmission of notice by Liberty that it plans to exercise the Right of First Refusal, there shall immediately arise between Liberty and Franchisee, or its owners, a binding contract of purchase and sale at the price and terms contained in the Notice previously provided by you.
- c. Transfer to Controlled Entity. A transfer to a "Controlled Entity" shall not trigger the Right of First Refusal. A "Controlled Entity" is an entity in which Franchisee is the beneficial owner of 100% of each class of voting ownership interest. At the time of the desired transfer of interest to a Controlled Entity, you must notify Liberty in writing of the name of the Controlled Entity and the name and address of each officer, director, shareholder, member, partner, or similar person and their respective ownership interest. Each such person of the Controlled Entity shall sign the amendment and release forms and/or franchise agreement as required by Liberty at the time of transfer. Currently, Liberty does not charge a transfer fee for this type of transaction.
- d. Transfer of Interest Within Franchisee. A transfer of interest within a Franchisee that is an entity shall not trigger the Right of First Refusal provided that only the percentage ownership is changing and not the identity of the owners. At the time of the desired transfer of interest within an entity, you must notify Liberty in writing of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest prior to and following the proposed transfer. Each such person of the Controlled Entity shall sign the amendment and release forms and/or franchise agreement as required by Liberty at the time of transfer. Further, if the transfer of interest results in a majority ownership change, you must pay to Liberty the transfer fee required at the time of transfer.
- e. Right of First Refusal Not Exercised By Liberty. If Liberty does not exercise the Right of First Refusal, you may transfer the Franchise or ownership interest therein according to the terms set forth in the Notice, provided that you satisfy the conditions of Sections 15(f) below and complete the sale within ninety (90) days from the date that Liberty received Notice from you. If you do not conclude the proposed sale transaction within this ninety (90) day period, Liberty's Right of First Refusal shall continue in full force and effect.

#### f. Additional Requirements and Restrictions Regarding Transfers.

- i) The proposed transferee(s) must complete Liberty's franchise application and pass Liberty's application screening in place at the time of transfer;
- ii) The proposed transferee(s) must sign the Liberty amendment forms and/or franchise agreement in place at the time of transfer, and must personally assume and be bound by all of the terms, covenants and conditions therein;

- iii) The proposed transferee(s) must attend and successfully complete EOT and HOT;
- iv) You shall sign the transfer and release forms required by Liberty at the time of transfer and pay the transfer fee described in Section 4.i. of this Agreement; and
- v) Except as to approved transfers within the Liberty system as described in this Section, you may not give, transfer or sell all or substantially all of the assets of your Franchised Business during the term of this Agreement, or for a two (2) year period after its expiration or termination, to a person or entity who might be reasonably expected to use any such assets to offer income tax preparation in the Territory or within ten (10) miles of the boundaries of the Territory.

#### 16. NON-WAIVER OF BREACH

The failure of either party hereto to enforce any of the terms or conditions of this Agreement shall not be deemed a waiver of such terms or conditions or of either party's rights thereafter to enforce each and every term and condition of this Agreement.

#### 17. GOVERNING LAW

- a. Virginia Law. This Agreement is effective upon its acceptance in Virginia by Liberty's authorized officer. Virginia law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties hereto. However, the Virginia Retail Franchising Act does not apply to any claims by or on your behalf if the Territory shown on Schedule A is outside of Virginia.
- b. Jurisdiction and Venue. In any suit brought by Liberty that in any way relates to or arises out of this Agreement or any of the dealings of the parties hereto, you consent to venue and personal jurisdiction in the state and federal court of the city or county of Liberty's National Office (presently Virginia Beach, Virginia state courts and the United States District Court in Norfolk, Virginia). In any suit brought against Liberty, including Liberty's present or former employees or agents, that in any way relates to or arises out of this Agreement or any of the dealings of the parties hereto, venue shall be proper only in the federal court district and division located nearest Liberty's National Office (presently the U.S. District Court in Norfolk, Virginia), or if neither federal subject matter nor diversity jurisdiction exists, in the city or county state court where Liberty's National Office is located (presently the City of Virginia Beach, Virginia).
- **c. Jury Waiver.** In any trial between any of the parties hereto, including present or former employees or agents of Liberty, that in any way relates to or arises out of this Agreement or any of the dealings of the parties hereto, you and Liberty agree to waive the rights to a jury trial and instead have such action tried by a judge.
- d. Class Action Waiver. You agree that any claim you may have against Liberty, including Liberty's past or present employees or agents, shall be brought individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against Liberty.
- e. No Punitive Damages. In any lawsuit, dispute or claim between or against any of the parties hereto, including present or former agents or employees of Liberty's, that in any way relates to or

arises out of this Agreement or any of the dealings of the parties hereto, you and Liberty agree to waive the rights, if any, to seek or recover punitive damages.

- **f.** Area Developers. If your Territory is or becomes located in an Area Developer area, you agree not to bring any claim, including a lawsuit, against the Area Developer, or its owners, employees or independent contractors, except as to a claim unrelated to the Liberty franchise, such as an automobile accident. Area Developers are a third party beneficiary of this clause. Further, you agree that if you breach this clause, you will pay to Liberty and/or the Area Developer all attorney fees and other costs that Liberty and the Area Developer incur to defend the Area Developer in such an action, regardless of who prevails.
- g. Survival. Any provisions of this Agreement that by their nature extend beyond the expiration or termination of this Agreement, shall survive termination or expiration of this Agreement and be fully binding and enforceable as though termination or expiration had not occurred.

#### 18. MODIFICATION

No modifications to this Agreement will have any effect unless such modification is in writing and signed by you and by Liberty's authorized officer. However, Liberty may modify the provisions of the Operations Manual, without your consent.

#### 19. RELEASE OF PRIOR CLAIMS

By executing this Agreement, the undersigned entity, if any, and individuals, on behalf of yourselves and your heirs, legal representatives, successors and assigns, and each assignee of this Agreement, hereby forever release and discharge Liberty, its past and present employees, agents, area developers, officers and directors, including Liberty's parent, subsidiary and affiliated corporations, their respective past and present employees, agents, officers and directors, from any and all claims relating to or arising out of any franchise agreement between the parties executed prior to the date of this Agreement, and all other claims relating to any dealings between any of the parties. However, this release does not apply to Liberty's renewal obligations the same or similar to those in Section 2.b. above, as contained in any prior or other franchise agreement.

#### 20. NOTICES

You shall give any notice or request hereunder by mail or courier, postage fully prepaid, delivered personally to Liberty's CEO, at Liberty's National Office, presently 1716 Corporate Landing Parkway, Virginia Beach, Virginia, 23454, Telephone: (757) 493-8855. Liberty may also give any such notice to you in the same manner at the address indicated below the Franchisee's signature on this Agreement, or such other more current address as Liberty may have for you. Liberty may also give notice to you by e-mail.

#### 21. FULL UNDERSTANDING

This Agreement is the entire agreement between you and Liberty. This Agreement supersedes all other prior oral and written agreements and understandings between you and Liberty with respect to the subject matter herein. Nothing in this or in any related agreement, however, is intended to disclaim the representations Liberty made in the Franchise Disclosure Document Liberty furnished to you.

#### 22. ACKNOWLEDGMENTS

You acknowledge that you have read Liberty's franchise disclosure document and this Agreement and that you are familiar with their contents. You acknowledge that you have independently investigated the business offered hereunder and base your decision to purchase solely on such investigation. Except as may be stated in Item 19 of Liberty's Franchise Disclosure Document, you acknowledge that no person is authorized to make and no person has made any representations to you as to the actual, projected or potential sales, volumes, revenues, profits or success of any Liberty Tax franchise. You further acknowledge and agree that you are not a third party beneficiary to any agreement between Liberty and any other franchisee.

#### 23. GUARANTY

The Franchisee named at the top of the following page agrees to abide by the terms of this Agreement. The signature of an individual or individuals constitutes their personal agreement to such terms. The signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.

In addition, the signatures of all individuals on this Agreement, in any capacity, also constitute their personal joint and several agreement to perform all the obligations in and relating to this Agreement, including, but not limited to, the obligations stated in section 17 above concerning Governing Law, including but not limited to, the application of Virginia Law, the Jurisdiction and Venue clause, the Jury Waiver, the Class Action Waiver, and the limitation to Compensatory Damages only, the obligation to make payments specified herein, pay any other promissory notes and other debts due to Liberty, and pay for products later ordered from Liberty. All Signators waive any right to presentment, demand or notice of non-performance and the right to require Liberty to proceed against the other Signators.

#### 24. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument.

#### 25. SEVERABILITY

If any covenant or provision within this Agreement is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not effect or impair the validity of any other covenant or provision of this Agreement and no covenant or provision of this Agreement shall be deemed to be dependent upon any other unless specifically expressed herein.

#### 26. HEADINGS

The headings of the various sections of this Agreement have been inserted for reference only and shall not be deemed to have any legal effect or meaning.

Franchisee: Nora Garcia & Marib	el Gorosave Entity Number: 5205
SIGNATORS:	
By: Marbel Jorosce (Signature)	By: Moro Barco
(Signature)  Manbel Gorosave (Printed Name)	Nova Cray Cray (Printed Name)
Title:	Title:
Address: 937 Lee Ave	Address: 1943 Annandale Way
Calexius ca 92231	Pomona CA 91767
Ownership Percentage:%	Ownership Percentage:%
By:(Signature)	By:(Signature)
(Printed Name)	(Printed Name)
Title:	Title:
Address:	Address:
Ownership Percentage:%	Ownership Percentage:%
	JTH TAX, INC. d/b/a LIBERTY TAX SERVICE
	By:John Hewitt, CEO
	Effective Date: 12/19/13

#### SCHEDULE "A" TO THE FRANCHISE AGREEMENT

#### **Territory**

The Franchise Territory\* is as follows:

#### CA376(BrawleyCA-1)

NORTH of and including Keystone Rd. from SR-115 to McConnell Rd.

WEST of and excluding McConnell Rd. from Keystone Rd. to E Keystone Rd.

NORTH of and including E Keystone Rd. continuing onto NORTH of and including W Keystone Rd. from McConnell Rd. to Forrester Rd.

EAST of and including Forrester Rd. from W Keystone Rd. to Baughman Rd.

NORTH of and including Baughman Rd. from Forrester Rd. to S H St.

EAST of and including S H St. from Baughman Rd. to W Main St.

SOUTH of and excluding S Main St. continuing onto SOUTH of and excluding E Main St. continuing onto

SOUTHWEST of and excluding Miller Ave. from S H St. to Boarts Rd.

EAST of and excluding Boarts Rd. continuing onto SOUTH of and excluding Boarts Rd. from Miller Ave. to Kalin Rd.

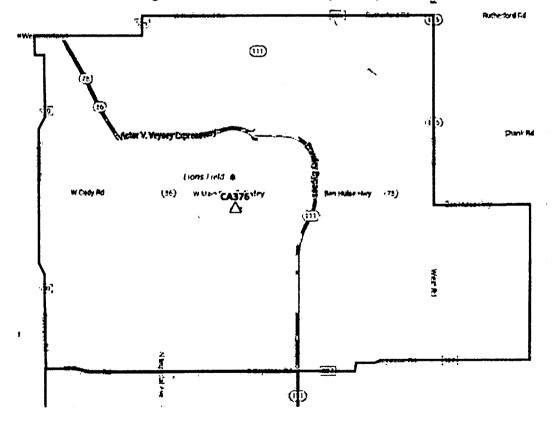
EAST of and including Kalin Rd. from Boarts Rd. to W Rutherford Rd.

SOUTH of and excluding W Rutherford Rd. continuing onto SOUTH of and excluding Rutherford Rd. from Kalin Rd. to West Rd.

WEST of and excluding West Rd. from Rutherford Rd. to Ben Hulse Hwy.

SOUTH of and excluding Ben Hulse Hwy. from West Rd. to SR-115.

WEST of and excluding SR-115 from Ben Hulse Hwy. to Keystone Rd.



\*Note: When a Territory description includes a road, avenue, street, parkway, highway, route or similar roadway, the Territory includes the U.S. Postal addresses assigned to either side of the roadway. When a Territory description excludes a road, avenue, street, parkway, highway, route or similar roadway, the Territory excludes the U.S. Postal addresses assigned to either side of such roadway. If a map of the Territory is attached, the map approximates the Territory, but the above legal description controls as to the Territory's precise boundaries.

# CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT

This Addendum forms a part of the Franchise Agreement dated 12/19/13, between Liberty Tax Service ("Liberty") and Nora Carcia thought, the franchisee ("you" or "your"). To the extent this Addendum shall be deemed to be inconsistent with any of the terms or conditions of the Franchise Agreement or its Exhibits, the terms of this Addendum shall govern.

Section 6.u. of the Franchise Agreement titled "Obligations of Franchisee," "Laws and Regulations" is supplemented to include the following:

You acknowledge that you have read, understand and agree to abide by the Judgment and Permanent Injunction entered by the Superior Court of the State of California in the case of *The People of the State of California v. JTH Tax, Inc. (d/b/a Liberty Tax Service)*, Docket Number CGC-07-460778, requiring that Liberty and you, its franchisee, abide by certain advertising requirements and, in particular, not disseminate or cause to be disseminated any advertisement that directly or indirectly represents a refund anticipation loan as a client's actual refund ("California Injunction"). You further agree to remit to the Attorney General of California a fine in the amount of \$15,000 in the event you commit two breaches of the terms of the California Injunction and agree to hold Liberty harmless for fines assessed against you related to your violation of the California Injunction.

Section 8.b (iii) of the Franchise Agreement regarding termination without notice or opportunity to cure for violation of laws or regulations is supplemented to specifically include the following:

Breach of the California Injunction and/or your failure to remit required fines to the Attorney General of California for your violation of the California Injunction is cause for immediate termination.

**Section 19** of the Franchise Agreement titled "Release of Prior Claims" is amended to include the following language:

<u>Unknown or Unsuspected Consequences</u>- The parties understand and acknowledge that this Section applies to and includes all unknown or unsuspected consequences or results arising from or relating to the transactions, occurrences, or agreements referred to in this Section. You represent and warrant that you have read the contents of California Civil Code §1542, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542.

<u>Nature of Release-</u> Each party acknowledges that it has read this Section, that it fully understands the contents of this Section, and that THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS SECTION.

As required by law, the above Release shall not apply to any liabilities arising under the California Franchise Investment Law or the California Franchise Relations Act.

**FRANCHISEE:** 

JTH Tax, Inc. d/b/a Liberty Tax Service

By: Marcia

John Hewitt, CEO

## EXHIBIT C PROMISSORY NOTE- SOLE PROPRIETORSHIP OR PARTNERSHIP

\$ 32,000.00

Date 12/19/13 Virginia Beach, Virginia

FOR VALUE RECEIVED, the undersigned Maker(s) (the "undersigned") promises to pay to the order of JTH Tax, Inc., d/b/a Liberty Tax Service ("Liberty"), at 1716 Corporate Landing Parkway, Virginia Beach, VA 23454, or at the holder's option, at such other place as may be designated by holder, the amount of Thirty Two Thousand Dollars (\$32,000.00), together with interest at the rate of Twelve Percent (12%) per annum on the unpaid balance computed from the date provided above.

This Note shall be payable as follows:

February 28, 2014: Interest Only Payment

February 28, 2015: \$8,000.00 plus interest;

February 28, 2016: \$8,000.00 plus interest;

February 28, 2017: \$8,000.00 plus interest;

February 28, 2018: \$8,000.00 plus all remaining interest

However, pursuant to Liberty's Automatic Payment Transfer program, all of the tax preparation, transmitter, software, and electronic filing fees, and any rebates that the undersigned receive from bank modulates or customers who purchase bank products, shall initially be paid to Liberty. From these fees and any rebates, Liberty will deduct monies that the undersigned owes to Liberty and deduct and hold monies to apply to upcoming amounts due to Liberty, and remit any remaining balance to the undersigned. All such payments shall be applied first to past-due interest outstanding and then to principal. Interest under this Note will be calculated on the basis of a 360-day year consisting of Twelve (12) 30-day months.

The undersigned represents and warrants to Liberty that the loan evidenced by this Note is being made for business, commercial or investment purposes. The undersigned further represents and warrants that the execution of this Note and the performance of the obligations stated herein have been duly authorized by all necessary action in accordance with all applicable law. The undersigned may prepay this Note, in whole or in part, without penalty, at any time.

The undersigned agrees to submit monthly financial information to Liberty including, but not limited to, income statements, balance sheets, and supporting documents, as Liberty specifies and in the format Liberty provides.

The undersigned agrees to pay all attorneys' fees and other costs and expenses that Liberty may incur in connection with the collection or enforcement of this Note or the preservation or disposition of any collateral for the payment of this Note.

Each person liable on this Note in any capacity, whether as maker, endorser, surety, guarantor or otherwise, and any holder (collectively hereafter "Obligor"), waives the benefit of the homestead exemption and of all other exemptions available to Obligor and also waives presentment, demand, protest, notice of dishonor, notice of acceleration of maturity, diligence in taking any action to collect sums owing hereunder and all other notices of every kind and nature to which any Obligor would otherwise be entitled under the applicable law. Each Obligor agrees that Liberty may take any one or more of the following actions, on one or more occasions, whether before or after the maturity of this Note, without any notice to such Obligor, without any further consent to such actions, and without releasing or discharging such Obligor from liability on the Note: (a) extension or extensions of the time of payment of any principal,

interest or other amount due and payable under this Note; (b) renewal of this Note, in whole or in part; (c) full or partial release or discharge from liability under this Note of any other Obligor; (d) waiver of any default under this Note or other agreement between Liberty and any Obligor relating to the indebtedness evidenced by this Note; or (e) agreement with the undersigned changing the rate of interest or any other term or condition of this Note.

TIME IS OF THE ESSENCE with regard to the payment of any amounts due under this Note and the performance of the covenants, terms and conditions of this Note.

Any one or more of the following shall constitute an event of default under this Note: (a)default in the payment of any installment or payment of principal, interest, or other amounts due and payable under this Note; (b) the death, dissolution, merger, consolidation or termination of existence of any Obligor; (c) any default by an Obligor in the performance of, or compliance with, any provision in this Note or other agreement, document or instrument to which any Obligor and Liberty are parties; (d) any Obligor is unable to pay debts as they become due, or is or becomes insolvent or makes an assignment for the benefit of creditors; (e) any Obligor files or becomes the subject of any petition or other pleading for relief under federal bankruptcy laws or any state insolvency statute; (f) a receiver is appointed for, or a writ or order of attachment, levy or garnishment is issued against, any Obligor or the property, assets or income of any Obligor; (g) if any representation or warranty made by or on behalf of the undersigned in any agreement between the undersigned and Liberty is false, misleading or incomplete in any material respect when made (or deemed to have been made); or (h) any termination, sale or other action whereby any Obligor ceases to hold ownership rights to the business to which this Notes relates.

If an event of default shall occur or if the undersigned shall fail to pay this Note in full at maturity, the entire unpaid balance of this Note and all accrued interest shall become immediately due and payable, at the option of Liberty, without notice or demand to any Obligor. The remedies provided in this Note upon default and in other agreement between Liberty and any Obligor are cumulative and not exclusive of any other remedies provided under any other agreement or at law or in equity.

The failure of Liberty to enforce any one or more of the terms or conditions of this Note shall not be deemed a waiver of such terms or conditions or of Liberty's rights thereafter to enforce each and every term and condition of this Note.

Each Obligor hereby waives trial by jury in any action or proceeding to which Obligor and Liberty may be parties, arising out of, in connection with or in any way pertaining to, this Note. It is agreed and understood that this waiver constitutes a waiver of trial by jury of all claims against all parties to such action or proceeding, including claims against parties who are not parties to this Note. This waiver is knowingly, willingly and voluntarily made by each Obligor, and each Obligor hereby represents that no representations of fact or opinion have been made by any individual to induce this waiver of trial by jury and that each Obligor has been represented in the signing of this Note and in the making of this waiver by independent legal counsel, or has had the opportunity to be represented by independent legal counsel selected of Obligor's own free will, and that Obligor has had the opportunity to discuss this waiver with Obligor's counsel.

Each Obligor agrees that any claim Obligor may have against Liberty, including Liberty's past and present employees and agents, shall be brought individually and that no Obligor shall join such claim with claims of any other person or entity or bring, join or participate in a class action against Liberty.

The covenants, terms and conditions of this Note shall be binding upon the heirs, personal representatives, successors and assigns of each Obligor and shall inure to the benefit of Liberty, its successors and assigns.

2

This Note constitutes the entire understanding of the parties and supersedes all prior negotiations, commitments, representations, and undertakings of the parties with respect to the subject matter hereof. This Note may be executed in counterparts, each of which shall constitute an original, but all taken together shall constitute a single instrument. Delivery of an executed counterpart of a signature page to this Note by facsimile or in electronic (e.g. "pdf") format shall be effective as delivery of a manually executed counterpart of this Note. The words "execution," "signed," "signature," and words of similar import in the Note shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based recordkeeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC § 7001 et seq.) or any other similar state or federal laws based on the Uniform Electronic Transactions Act.

This Note shall be construed in all respects and enforced according to the laws of the Commonwealth of Virginia. Each Obligor hereby irrevocably and unconditionally consents to venue and personal jurisdiction in the state and federal court located in or most proximate to the city or county of Liberty's National Office, presently Virginia Beach state courts and the United States District Court in Norfolk, Virginia.

If any term or provision of this Note is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Note or invalidate or render unenforceable such term or provision in any other jurisdiction.

WITNESS the following signature(s) and seal(s):

Signature of Maker

Signature of Maker

Printed Name of Maker

Home Address:

Home Address:

Calexico (A 92231

Signature of Maker

Printed Name of Maker

Home Address:

Pomona, CA

#### **EXHIBIT D-5**

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#### **CONFIDENTIALITY AGREEMENT- Liberty Tax Franchisee**

- I. <u>Purpose</u>. JTH Tax, Inc. d/b/a Liberty Tax Service ("Liberty") is interested in pursuing a possible franchise relationship (the "Opportunity") with you ("Recipient"). To keep discussions and information sharing as open and free as possible the parties agree to the terms provided in this Agreement.
- II. <u>Confidential Information</u>. Confidential information ("Confidential Information") shall mean all oral, written and electronic information furnished by Liberty to Recipient in connection with this Opportunity, including but not limited to all training materials, manuals, operations materials, notes, studies, statistics and data. You and your officers, directors, employees, contractors and agents pursuing the Opportunity are referred to collectively as the Recipient of the Confidential Information.

Confidential information will not include information which (i) is or becomes available to the public other than as a result of disclosure by the Recipient, (ii) was known by the Recipient at the time of disclosure of the information by Liberty and that knowledge is evidenced in writing, (iii) was or becomes available from a source other than Liberty, if, to the best of the Recipient's knowledge, the source was not legally bound to Liberty to maintain the confidentiality of the information, or (iv) the Recipient independently develops without using the Confidential Information.

- III. <u>Agreement to Maintain Confidentiality</u>. The Recipient agrees to keep the Confidential Information confidential, and will not disclose the Confidential Information to any person or entity or use the Confidential Information, directly or indirectly, other than as a Franchisee or in the operation of a Liberty Tax Service franchise. The Recipient may disclose the Confidential Information to any employee of the Recipient who is likewise bound in writing to keep the Confidential Information confidential
- IV. <u>Compliance with Law</u>. If the Recipient becomes legally compelled to disclose any Confidential Information in a manner not otherwise permitted by this Agreement, the Recipient will provide Liberty with prompt notice of the request so that Liberty may seek an appropriate protective order or other appropriate remedy. If a protective order or similar order is not obtained by the date that the Recipient must comply with the request, the Recipient may disclose the Confidential Information to the requesting parties, but the Recipient will disclose the minimal amount of Confidential Information necessary to comply with the request.
- V. <u>Injunctive Relief</u>. Recipient acknowledges that unauthorized disclosure or use of the Confidential Information would irreparably damage Liberty in such a way that Liberty could not be adequately compensated in damages in an action at law. Accordingly, if any dispute arises concerning the disclosure or use of any Confidential Information, Liberty may seek injunctive relief restraining the unauthorized disclosure or use restraining the unauthorized disclosure or use, in addition to any other remedy available.

- Return of Materials. Upon termination of discussions related to the Opportunity, or VI. Recipient's relation as a franchisee of Liberty, whichever is later, Recipient will deliver to the Liberty all Confidential Information without retaining any copies of the Confidential Information. If so requested by Liberty, the Recipient will destroy all Confidential Information and will confirm in writing that all Confidential Information has been returned or destroyed. This provision is in addition to any other confidentiality provisions of any other agreement between the parties.
- VII. Miscellaneous. This Agreement may only be modified by a written document executed by both parties. This Agreement may be executed in counterparts, and all such counterparts together will constitute one Agreement. Neither party intends by this Agreement to grant any license or other rights in any of the Confidential Information to the Recipient of that information.

IN WITNESS WHEREOF, the parties have executed this Agreement as of \_

Recipient: MOVIVEL COYOSONE

JTH Tax, Inc. d/b/a Liberty Tax Service

in Hewitt, CEO

undel Forosan naturé

MANGA.

Case 2:21-cv-00615-RCY-RJK Document 1 Filed 11/15/21 Page 132 of 211 PageID# 132

Franchise Financing Request Form

RD/FD\_\_\_\_\_ AD 3622-Nora & Martin Garcia

REQUEST DAT	F · 11/25/13
KEQUESI DAI	L. 11/23/13

FRANCHISEE(s): Nora Garcia & Maribel Gorosave			
CREDIT SCORE:n/a TERRITORY(S): CA376			
PURCHASE PRICE:\$40k			
Terms:			
Paid in Full \$     Long Term P-Note     Down Payment   \$8k     Annual Installments \$8k     P-Note Term			
Operational Financing Needed:			
Operating Expenses Amount: \$\frac{n}{a}\$  Full operations costs			
Approved by:			
RDDir. of FinanceCFOCEOEmailIssueIssueEmail			
Date: 11/25/13 11/15/13 11/25/13			
<b>Notes:</b> IssueTracker & email approvals attached.			

#### **Briana Koons**

From:

John Hewitt

Sent:

Monday, November 25, 2013 3:39 PM

To:

Briana Koons

Subject:

Re: For your approval- CA376

'Yes

:-Sent from my iPad

On Nov 25, 2013, at 3:38 PM, "Briana Koons" < briana.koons@libtax.com > wrote:

New terms for you to review:

Seller: 1000-available territory

Buyer: 5205- Nora Garcia & Maribel Gorosave

**Territory**: CA376

**Purchase Price: \$40k** 

Payment Terms: Buyer to put down \$8K and financing \$32K as follows

2/28/14 interest only payment

2/28/15 \$8K plus interest 2/28/16 \$8K plus interest

2/28/17 \$8K plus interest 2/28/18 \$8K plus interest

We have approvals from Oscar and Mark B....do you also approve of the revised terms?

#### **Briana Koons**

AD Unit Sales | Franchise Development

Direct: 757.301.8253

From: John Hewitt

Sent: Monday, November 18, 2013 5:32 PM

To: AD.FranchiseDevelopment

Subject: RE: For your approval- CA376

ok

From: AD.FranchiseDevelopment

Sent: Monday, November 18, 2013 5:31 PM

To: John Hewitt

**Cc:** AD.FranchiseDevelopment **Subject:** For your approval- CA376

Seller: available territory

**Buyer**: 5205- Nora Garcia & Maribel Gorosave (current total LTS debt= \$19,844.24)

**Territory**: CA376 **Purchase Price**: \$40k

Payment Terms: Buyer to put down \$8K and financing \$32K as follows:

2/28/14 \$8k plus interest

Case 2:21-cv-00615-RCY-RJK Document 1 Filed 11/15/21 Page 134 of 211 PageID# 134 2/28/15 \$8K plus interest 2/28/16 \$8K plus interest 2/28/17 \$8K plus interest

Do you approve?

#### **Briana Koons**

Liberty Tax Service AD Unit Sales|Franchise Development

Direct: 757-301-8253

Toll Free: 800-790-3863 ext. 8253

Fax: 800-853-6406

#### **Incident Details**

Contact Details Office/Entity ID: 5205		
First/Last Name: Manbel	Gorosave	
Callback:		
Language Preference: English •		
ps. La commente información de discontinuado de misson tra servicio de la company.		andres in administration
— Issue Type		
Type: Franchisee Support	•	
Country: US	•	į
Category: Operations	•	
Product: Expansions	•	
Sub Product: Expansion Initial Request		
	and the second of the second o	-

#### **Comments**

When creating a new issue, be sure to include as much information about your issue as possible. For example, including information to identify your customer or the exact error message, when applicable, along with a detailed description of the issue will contribute to a speedy resolution.

Additionally, attaching a screenshot can be extremely beneficial in diagnosing technical issues and resolving application or report discrepancies.

ent 5205 (Nora Garcia & Maribel Gorosave) writes Attention Liza Malinis,	@ 10/1/2013 3:06 PM
I would like to expand, purchase CA376 Brawley CA,If I can put \$8k down and finance the rest at \$8k due Feb 2015, 2016, 2017, 2018.	ţ
Liza Malinis writes  Need AD approval noted in this issue. Once approved, please route it back to me. Thank you	@ 10/4/2013 9:58 AM
Liza Malinis secretly writes  The DD link has been sent and CA376 is UC to 5205; please create an issue via the issue tracker using the Zee's entity #.	@ 10/4/2013 9:58 AM

Within the body of the issue please outline the terms of the expansion (how much down payment, what LTS will be financing etc.); also attach a copy of the Zee's PRF60 (performance report – located in Report Central).

The issue will then need to be assigned to the AD for their approval; it will go to the RD for review and approval and then to the Finance Committee. Once the final approval is obtained then we will be able to send out the Franchise Agreements to the Zee/Buyer.

Case 2:21-cv-00615-RCY-RJK Document 1 Filed 11/15/21 Page 136 of 211 Pagel Nora and Martin Garcia (M66) writes	D# 136 @ 10/7/2013 6:03 PM
I approve.	·
Martin AD3622	
ent 5205 (Nora Garcia & Maribel Gorosave) writes	@ 11/4/2013 2:27 PM
I would like to purchase Brawley territory, haven't heard from Corporate, would like to know if I will be able to proceed or if I should put plans feel like time is rapidly approaching and I wont be ready for the next tax season. During Liberty College this year, all they talked about was probefore the tax season starts, I'm trying to do that but it's not possible if I don't have the territory. I would like to know how long this process we have the territory.	eparation and being ready
Nora and Martin Garcia (M66) writes	@ 11/4/2013 9:54 PM
Once corporate receives the disclosure document a contract should be drafted and sent to you.	
Nora and Martin Garcia (M66) writes	@ 11/4/2013 9:54 PM
Once corporate receives the disclosure document a contract should be drafted and sent to you.	
Nora and Martin Garcia (M66) writes	@ 11/7/2013 5:47 PM
Hello, is contract on its way yet, please advise.	made upon papagan spira dan wind new estatebustan dan
Oscar Aujero secretly writes	@ 11/13/2013 1:11 PM
RD approves.	gene ay: de gode dypolyte dill repeable statement
Ericka Tynan secretly writes  So to be clear; the request and approval is for no payment in 2014?	@ 11/13/2013 2:55 PM
Nora Garcia & Maribel Gorosave (5205) wants to purchase CA376 by putting down \$8K and financing \$32K as follows: 2/28/14 interest only payment? 2/28/15 \$8K plus interest 2/28/16 \$8K plus interest 2/28/17 \$8K plus interest 2/28/17 \$8K plus interest 2/28/18 \$8K plus interest	
Oscar, please confirm if you approve of no payment in 2014 (interest only). Thank you!	- Miller Christian (Miller Christian ) (Miller Christian )
Oscar Aujero secretly writes  No. I approve standard expansion. \$8K down and \$8k + interest in 2014, 2015, and 2016. thanks.	@ 11/15/2013 4:19 PM
I stated (\$P\$) with the content of t	And
Briana Koons secretly writes Mark,	@ 11/15/2013 4:41 PM
Do you approve of the following: Nora Garcia & Maribel Gorosave (5205) wants to purchase CA376 by putting down \$8K and financing \$32K as follows: 2/28/14 \$8k plus interest 2/28/15 \$8K plus interest 2/28/16 \$8K plus interest 2/28/17 \$8K plus interest	
*Zee's PRF60 Attached	ng compania. Bas sindepaniansinjapapapapa alkandikaan kan
Mark Baumgartner writes	@ 11/15/2013 4:46 PM
ok	

Briana Koons secretly writes Matt,	Case 2:21-cv-00615-RCY-RJK Document 1 Filed 11/15/21 Page 137 of 211 PageID# 1	37 @ 11/15/2013 4:49 PM
Do you also approve of the term	ms?	
Matt Reddy writes	Security for the parties of the security of the security department of the security of the sec	@ 11/15/2013 4:55 PM
approved	A NAME OF ADMINISTRATION OF AD	war side
Briana Koons secretly writes Matt/MarkI added an extra pa	ayment above. Please approve the terms below only.	@ 11/15/2013 6:04 PM
Do you approve of the followin Nora Garcia & Maribel Gorosav 2/28/14 \$8k plus interest 2/28/15 \$8K plus interest 2/28/16 \$8K plus interest	g: e (5205) wants to purchase CA376 by putting down \$8K and financhg \$32K as follows:	
Mark Baumgartner writes		@ 11/16/2013 9:48 AM
ok assuming the last 8k is due	2/28/17	and have been as one
Briana Koons writes	AND SEED AND	@ 11/18/2013 5:26 PM
Briana Koons secretly writes		@ 11/18/2013 5:26 PM
Sent for JTH approval 11/18/1	3. Will update all parties involved once documents have been sent to the buyer.	oner delados. Addition después después después de la constante de la constante de la constante de la constante
Nora and Martin Garcia (M66)	And the second of the second o	@ 11/22/2013 1:42 PM
8k 02/2015 8k 02/2016 8k 02/2017 8k 02/2018	down to cover the year 2014 as we are a little over a month away and requested  operating cost the franchisee will spend close to 100k by 02/2014 the terms seem fair and will help us toward meeting	g our 2020 goals. Please
Thank you, Martin	and the same of th	
Oscar Aujero secretly writes RD approves revised terms.		@ 11/25/2013 2:17 PM
Briana Koons secretly writes		@ 11/25/2013 2:23 PM
Oscar,		
The revised terms will be as fo	llows.	
2/28/14 interest only payment 2/28/15 \$8K plus interest 2/28/16 \$8K plus interest 2/28/17 \$8K plus interest 2/28/18 \$8K plus interest		
Oscar Aujero secretly writes	AND AND THE REPORT OF THE PART	@ 11/25/2013 2:26 PM

#### **Miscellaneous**

Attachments Related Issues Notifications Incident History Office History

- Existing Attachments-

Attachment	Size	Date	Added By
PRF60-5205.pdf	59.90KB	11/15/2013 4:41 PM	Briana Koons

All necessary approvals have been obtained. An updated p-note will be emailed the the zee to return with her Franchise Agreements.

- Add Attachments-

Browse

じょう かい

BIDASE ..

Click "Save" to upload the above files. You may attach as many files as you wish, but no more than three files can be attached at once (select your files and upload/save in groups of three until all files are attached). If you have selected a file and no longer wish to upload it, simply clear the text (file path) to the left of the "Browse" button.

#### **Issue Routing**

Department: Operations (US)

Status: Closed - Pending

Person: Briana Koons

Priority: Normal

)10.0.0.82

#### Briana Koons

From:

Oscar Aujero

Sent:

Monday, November 25, 2013 2:19 PM

To:

AD.FranchiseDevelopment

Subject:

RE: CA376

I approved revised terms.

#### Oscar E. Aujero X

Desk: (800)790-3863 x.8137 eFax: (800) 880-6432

Email: oscar.aujero@libtax.com

From: AD.FranchiseDevelopment

Sent: Monday, November 25, 2013 2:04 PM

To: Oscar Aujero

Cc: AD.FranchiseDevelopment

Subject: FW: CA376

Oscar,

AD Martin Garcia is requesting the below payment terms for CA376 (existing zee 5205 expanding). However, in issue #1188325 (<a href="https://app1.libertytax.net/issuetracker/issues/issuedetail.aspx?id=1188325">https://app1.libertytax.net/issuetracker/issues/issuedetail.aspx?id=1188325</a>) you approved the following terms:

Payment Terms: Buyer to put down \$8K and financing \$32K as follows:

2/28/14 \$8k plus interest 2/28/15 \$8K plus interest 2/28/16 \$8K plus interest 2/28/17 \$8K plus interest

All parties approve the same terms, and the buyer has the franchise agreements in their possession. How should I proceed?

#### **Briana Koons**

AD Unit Sales | Franchise Development

Direct: 757.301.8253

From: martinlibtax [mailto:martinlibtax@vahoo.com]

Sent: Friday, November 22, 2013 5:56 PM

**To:** AD.FranchiseDevelopment **Subject:** RE: Docs out! Nora

Hi.

Yes franchise would like to pay 8k down for 2014 the

8k 02/2015

8k 02/2016

8k 02/2017

8k 02/2018

With 2014 startup costs and operating costs will spend close to 100k.

# Case 2:21-cv-00615-RCY-RJK Document 1 Filed 11/15/21 Page 140 of 211 PageID# 140 I also explained in issue #1188325 Thank you Sent via the Samsung Galaxy S™ III, an AT&T 4G LTE smartphone ----- Original message -----From: "AD.FranchiseDevelopment" < AD.FranchiseDevelopment@libtax.com> Date: 11/22/2013 12:57 PM (GMT-08:00) To: "AD.FranchiseDevelopment" < AD.FranchiseDevelopment@libtax.com > , martinlibtax@yahoo.com Cc: Oscar Aujero <oscar.aujero@libtax.com>,Marla Brown <marla.brown@libtax.com> Subject: RE: Docs out! Nora Martin, I received your voicemail from earlier, my apologizes for the missed call. Can you explain the accommodations you are requesting regarding the payments? Thank you! **Briana Koons** AD Unit Sales | Franchise Development Direct: 757.301.8253 From: AD.FranchiseDevelopment Sent: Wednesday, November 20, 2013 10:19 AM To: 'martinlibtax@yahoo.com' Cc: AD.FranchiseDevelopment; Oscar Aujero; Marla Brown Subject: Docs out! Nora

2

Franchise documents have been overnighted to Nora Garcia & Maribel Gorosave for the purchase of CA376. Please

Good morning,

see below for the tracking numbers.

. To: 573623528551 Case 2:21-cv-00615-RCY-RJK Document 1 Filed 11/15/21 Page 141 of 211 PageID# 141

Back to LTS: 573623528562

Approved terms:

Buyer: 5205- Nora Garcia & Maribel Gorosave (current total LTS debt= \$19,844.24)

**Territory**: CA376

Purchase Price: \$40k

Payment Terms: Buyer to put down \$8K and financing \$32K as follows:

2/28/14 \$8k plus interest

2/28/15 \$8K plus interest

2/28/16 \$8K plus interest

2/28/17 \$8K plus interest

### We will need:

- Signed/dated Exhibit K

-\$8k deposit

- All return docs

#### **Briana Koons**

Liberty Tax Service

AD Unit Sales Franchise Development

Direct: 757-301-8253

Toll Free: 800-790-3863 ext. 8253

Fax: 800-853-6406

This electronic communication and any files transmitted with it, or attached to it, are confidential and are intended solely for the use of the

MARIBEL GOROSAVE  DBA LIBERTY TAX SERVICE  440 S. 4TH ST  EL CENTRO, CA 92243	WELLS FARGO BANK, N.A. www.wellstargo.com 16-24/1220	1403 Dec 16,2013
PAY TO THE JTH TAX, INC  Eight thousand dollars and oolion		\$ & & & & & & & & & & & & & & & &
MEMO Brawley Franchice Deposit		Security Features Included

Nora Gaciat

Name: Maribel Gorosave Entity: 5205 Stage: Pending

Ownership Type: Tenants-in-Common

Sale Type: New Sale (Old Z) Financing Type: Purchase Price

Department: AD AD: 3622 N&M Garcia

Sales Ops Contact: Briana Koons Sales Rep: N/A If none

Sales Info

App Rec'd: 12/17/2013 K Date: 10/1/2013 Redis. K Date:

EOT Date: [] EOT Attended: FALSE

**Area Information** 

Territory List: CA376 Num of Territories: 1

**Projected Monies** 

Total Amt: \$40,000.00

**Deposit Amt::** \$8,000.00

Approved P-note Amt: \$32,000.00

Balance Rec'd: Paid In Full: FALSE

Sales Notes:

|3||7||3 Deposit of \$8k ck # 1403. P-Note for \$32K which payments will be \$8k yearly. Exhibit K, FA x2, Conf Agree, and FFRF approvals.

Legal Compliance

Legal Contact: (and De Cesan

Legal Rec'd: 12/18/13 Closed: 12/19/1

Legal Notes:

Secened all as noted ( ) above

#### EXHIBIT K RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If JTH Tax, Inc. d/b/a Liberty Tax Service offers you a franchise, we must provide this disclosure document to you at least 14 days before you sign a binding agreement or make a payment to us in connection with the proposed franchise sale or grant.

Rhode Island requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Washington require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit F.

Date of Issuance: September 26, 2013

See Exhibit F for our registered agents authorized to receive service of process.

If a Franchise Broker was involved in this sale, the name, principal business address and telephone number of the Broker follows:

Name of Broker:	
Broker Telephone Number:	
Broker Principal Business Address:	

I have received a disclosure document dated September 26, 2013 that included the following Exhibits:

- A. State Disclosure Document Addenda (CA, HI, IL, IN, MD, MI, MN, NY, ND, SD, VA)
- B. Franchise Agreement and State Franchise Agreement Addenda (CA, IL, IN, MD, MN, ND, RI, SD, VA, WA, WI)
- C. Promissory Notes
- D-1. JTH Financial, LLC Program Services Agreement, MetaBank Secured Credit Card Agreement, and SBBT Financial Services Agreements
- D-2. Libtax Software License Agreement
- D-3. Walmart Kiosk Stipulation and Agreement, K-Mart, Ace, and Sears Management Commitment Forms
- D-4. Renewal & Release forms
- D-5. Confidentiality Agreement
- D-6. Franchisee Card Program Agreement
- E. Purchase and Sale Agreements
- F. List of State Administrators and Registered Agents

- G. List of Current Franchisees and List of Franchisees Who Had an Outlet Terminated, Cancelled, Not Renewed or Otherwise Ceased to Do Business
- H. Financial Statements and Guarantee of Performance
- I. Table of Contents of Operations Manual and Confidentiality Agreement
- J. Franchisee Organizations We Have Created, Sponsored or Endorsed
- K. Receipt

Date you received this Disclosure Document	PROSPECTIVE FRANCHISEE:
If an individual:	If a business entity:
	Name of Business Entity
By: Market Signature	Signature
Maribel Gorosave Printed Name	Printed Name/Title
937 Lee Ave	Address
Calexico CA 92231	
(026-482-9168 (Telephone number)	(Telephone number)
By: Mora Marca Signature	Signature
Printed Name	Printed Name/Title
1943 Amandale Way Address	Address
Pomona CA 91767	
26) 674-6480 (Telephone number)	(Telephone number)

## EXHIBIT

D

#### MUTUAL TERMINATION AGREEMENT

THIS MUTUAL TERMINATION AGREEMENT is made this <u>8th</u> day of <u>January</u> 2019 by and between JTH Tax, Inc. d/b/a Liberty Tax Service, SiempreTax+ LLC (collectively "Franchisor") and Maribel Gorosave ("Franchisee").

Whereas the Franchisee has a license to operate certain Liberty Tax Service franchises referred to as CA375 and CA376 in the stateof California pursuant to written franchise agreements for the franchise territories set forth in the Schedule "A" of the Liberty franchise agreements and a certain SiempreTax+ franchise referred to as CA375 in the state(s) of California pursuant to a written franchise agreement for the franchise territory set forth in the Schedule "A" of the SiempreTax+ franchise agreement; and

Whereas the Franchisee and Franchisor each desire to terminate only the Franchise Agreement for the Liberty territory known as CA376 and the SiempreTax+ territory known as CA375 (the SiempreTax+ and Liberty franchise agreements being terminated are referred to collectively herein as the "Franchise Agreements" or the "Franchised Business").

Now, therefore, in consideration of the mutual covenants and agreements herein, the parties hereto mutually agree as follows:

- 1. Effective immediately, the Franchisee relinquishes all rights granted pursuant to the Franchise Agreement and any other franchise related agreements, including, but not limited to any Commission Agreements. Franchisor releases the Franchisee from all obligations incurred pursuant to the Franchise Agreement or any other related Agreement except those obligations noted herein. If this Agreement is not executed by the Franchisee and returned to the Franchisor by January 17, 2019, the offer to mutually terminate the Franchise Agreement may be rescinded.
- 2. Franchisor and Franchisee acknowledge that this Agreement shall in no way affect amounts due and/or payable by Franchisee to Franchisor. The Franchisee hereby guarantees that all amounts owing to the Franchisor shall be paid in accordance with the terms of such amounts owing.
- 3. All furniture, fixtures and equipment used in connection with the operation of the Franchised Business shall remain the property of the Franchisee.
- 4. All office leases operated or entered into in connection with the Franchised Business shall remain the responsibility of the Franchisee.
- 5. Franchisee acknowledges that all post-term covenants of the Franchise Agreement will be adhered to upon execution of this Agreement and thereafter. Nothing contained in this Agreement shall be construed as limiting the continuing effectiveness of the post-term covenants of the Franchise Agreement.
- 6. Franchisee shall immediately comply with the Post Termination Obligations contained in the Franchise Agreements, including, but not limited to, the following:
  - a. Abide by the covenants not to compete and not to solicit as described in the Franchise Agreement; and
  - b. Remove all Liberty and SiempreTax+ signs from all offices and other premises; and
  - c. Cease, and not thereafter commence, use of any of Franchisor's Marks or any marks which are likely to be confused with Franchisor's Marks; and
  - d. Cease use of all literature and other items bearing Franchisor's marks and/or received from Franchisor; and
  - e. Transfer to Franchisor all telephone numbers used in relation to the Franchised Business; and

- f. Deliver to Franchisor all copies, including electronic copies, of lists and other sources of information containing the names of customers who patronized the Franchised Business; and
- g. Deliver to Franchisor all customer tax returns, files, records and all copies thereof; and
- h. Deliver to Franchisor the copy of the Operations Manual and all updates, which Franchisor loaned to Franchisee; and
- i. Cancel all fictitious name listings, which Franchisee has filed for use of any of the Marks.
- 7. Franchisee warrants that he/she will take no actions and make no statements that could hinder or compromise the Franchisor's success. Without limiting the generality of the foregoing, the Franchisee agrees not to disparage the Franchisor, the Franchisor's operating system or the Franchisor's employees, officers or directors.
- 8. The Franchisee covenants that he/she is not in default in any material respect under any agreements, leases, or other documents related to the Franchised Business to which he is a party.
- 9. Franchisee grants Franchisor the right to remotely access and make changes to the computers used in operation of the franchised business in order to remotely wipe and/or copy all data on the computers. Franchisor is not responsible for any information lost or damage caused to the computers as a result of such actions.
- 10. Franchisee is responsible for all loss, expenses, claims, damages and contractual liability to third parties which relate directly or indirectly to the business operated pursuant to the Franchise Agreements prior to the date of execution of this Agreement. The Franchisee and its partners and affiliates agree to indemnify and hold the Franchisor and all its past and present employees and area developers harmless from any and all losses and additional expenses, including costs and any reasonable attorneys' fees that may be incurred because of any such loss, damage, liability, claim or demand.
- 11. By executing this Agreement, Franchisee and Franchisee's officers, individually and on behalf of Franchisee's heirs, legal representatives, successors and assigns, hereby forever releases and discharges Franchisor, its past and present employees, area developers, agents, officers, directors, Franchisor's subsidiary and affiliated corporations and franchisees, their respective past and present employees, agents, officers, directors, from any and all claims that could be asserted by the Franchisee against any such persons and entities through the date of this Agreement, except obligations set forth or re-affirmed herein. The parties understand and acknowledge this Release applies to and includes all unknown or unsuspected consequences or results arising from or relating to the transactions, occurrences, or agreements referred to in this Section. Franchisee represents and warrants that Franchisee has read the contents of California Civil Code §1542, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

FRANCHISEE EXPRESSLY WAIVES ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542. Each party acknowledges that it has read Section 11 of this Agreement, that it fully understands the contents of Section 11 of this Agreement, and that THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.

12. This Agreement shall bind and inure to the benefit of the respective successors, assigns, legatees, heirs, and personal representatives of each of Franchisee and Franchisor.

- 13. This Agreement is effective upon its acceptance in Virginia by Franchisor's authorized officer. Virginia law governs all claims which in any way relate to or arise out of this Agreement or any of the dealings of the parties hereto. However, the Virginia Retail Franchising Act does not apply to any claims by or on your behalf if the territory shown on Schedule A of your Franchise Agreement is located outside of Virginia.
- 14. In any suit brought by Franchisor, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, you consent to venue and personal jurisdiction in the state and federal court of the city or county of Franchisor's National Office, presently Virginia Beach state courts and the United States District Court in Norfolk, Virginia. In any suit brought against Franchisor, including Franchisor's present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, venue shall be proper only in the federal court located nearest Franchisor's National Office (presently the U.S. District in Norfolk, Virginia), or if neither federal subject matter or diversity jurisdiction exists, in the city or county state court located where Franchisor's National Office is (presently the City of Virginia Beach, Virginia).
- 15. In any trial between any of the parties hereto, including present and former employees and agents of Franchisor, Franchisee and Franchisor agree to waive our rights to a jury trial and instead have such action tried by a judge.
- 16. You agree that any claim you may have against Franchisor, including Franchisor's past and present employees and agents, shall be brought individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against Franchisor.
- 17. In any lawsuit, dispute or claim between or against any of the parties hereto, including present and former agents and employees of Franchisee and Franchisor, Franchisee and Franchisor agree to waive our rights, if any, to seek or recover punitive damages.
- 18. This Agreement constitutes the entire understanding of the parties and supersedes all prior negotiations, commitments, representations, contracts, agreements and undertakings of the parties with respect to the subject matter hereto. This Agreement shall not be modified except in writing signed by the parties.
- 19. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (e.g. "pdf") format shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of similar import in the Agreement shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based record keeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC § 7001 et seq.) or any other similar state or federal laws.
- 20. Each party agrees to be responsible for any tax consequences affecting said party as a result of this Agreement.
- 21. By executing this Agreement, Franchisee, for Franchisee and Franchisee's respective successors, represents and warrants that Franchisee's representations herein are true and correct and that Franchisee has the right and authority to enter into and to accept the terms and conditions of this Agreement.

22. The provisions of this Agreement are severable, and in the event that any of them are held void and unenforceable as a matter of law, the remainder shall continue in full force and effect.

Print Name: \_\_\_

Title: CFO

Accepted and Agreed to:

OPERATIONS REQUEST FOR TERMINATION									
Aven Developer						Chav.			
Area Developer						✓ Show			
GENERAL INFORMAT	ION			Data		-			
AREA DEVELOPER ENTITY/FRANCHISEE				Date	Mutua     Unilate     Buy Ba	ıl eral			
CONTACT FIRST NAME	Maribel								
CONTACT LAST NAME	Gorosave								
AD EMAIL	Apollo.eme	ka@libtax.com							
TOTAL MONIES OWE	D .								
AR \$15,948	3.70	PAST DUE AR	\$15,475.69	DEBT FORG	IVENESS N	0			
P-NOTES \$0.00		PAST DUE P- NOTES		Debt	Debt Forgiveness is at the discretion of the RD.				
TOTAL \$15,948	3.70	TOTAL PAST DUE	15,475.69						
ENTITY INFORMATIO	N								
REASON FOR TERI	MINATION C	Reason for team of the land refuses to land the	o open aga ely but ag on decision lot viable f	in. Zee wa reed to op : Return c or a COS I	erate CA3  ount unde ocation	o walk 75 for er 100 with			
		Relocation of .4926, the ze			es moved	to office			
STOP FAC PAY	MENTS <u>N</u>	<u>o</u>	AI LOCKED	L GRR's		<u>Yes</u>			
GUARANTEE/GUARANTOR ON OTHER AGREEMENT									
TERRITORIES									
TERRITOR CA376									
Office Office Age Re	Fr turns Ret	ee urns Gros	s Fees	Net F	ees	Lease Exp Date			

	_								
19230	5	70	9	\$27,436.00	\$20,301.00				
1		70	9	\$27,436.00	\$20,301.00				
Brand Ind Liberty E									
LEASE IN									
OFFICE	19230	STOP L PAYME		<u>Yes</u> D	ATE ACCOUNTING 10 GIVEN LEASE(S)	)/17/18			
LEASE	E PER MOI	NTH \$0.00		LEAS	SE TO BE ASSUMED <u>No</u>	<u>)</u>			
UTILI T	TIES/PHC RANSFERI	ONE OYes RED	<ul><li>No</li></ul>	LIB	ERTY TO ACQUIRE <u>No</u> EQUIPMENT	<u> </u>			
СОМРЕТІ	TION OF	FICE RET	JRNS						
	HRB 2,4	409		JH	0				
GUARAN	ΓOR/GU	ARANTEE							
Gua	rantor			Guarantee					
SALE INF	0								
SALES ST	TATUS 10	00 - Term	inated for	Sale	HAS BUYER				
SALE NOT	ΓES				LIBERTY\Jessica.	jacobsen			
TERRITOR CA375									
Office Id	Office Age	Returns	Free Returns	Gross Fees	Net Fees	Lease Exp Date			
19715	4	0	0	\$0.00	\$0.00				
14926	10	340	60	\$119,672.00	\$92,460.00				
2		340	60	\$119,672.00	\$92,460.00				
				Which brand is bei	ing terminated?				

LEASE INFO			
OFFICE 14926	STOP LEASE	No DATE	ACCOUNTING 10/17/18
LEASE PER MONTH	PAYMENTS \$0.00		IVEN LEASE(S) ) BE ASSUMED <u>No</u>
UTILITIES/PHONE			TO ACQUIRE No
TRANSFERRED	) Yes • No	LIDERT	EQUIPMENT
COMPETITION OFFICE	CE RETURNS		
HRB 2,229		JH 32	
GUARANTOR/GUARA	ANTEE		
Guarantor		Guarantee	
SALE INFO			
	- Terminated for Sal	<u>e</u> HAS	BUYER
SALE NOTES			
SIEMPRE RIGHTS OF	NLY, LIBERTY OFFIC	E 14926 WILL REN	MAIN ACTIVE
<b>Operations/Finan</b>	ce		
OPERATIONS			
AMOUNT \$0.0	00	[	DEAL ACCEPTED   Yes   No
DATE ACCEPTED 10/	19/18		
DEAL NOTES			LIBERTY\shaun.y
ok			
POSSIBLE RESCISSION			
FINANCE NOTE S			

APPROVAL	
CEO APPROVAL 🗹	DATE APPROVED 11/19/2018
Notes	
Signature	
CEO:	

<b>9PERATIONS</b> 00615-RCY-RJK	Document 1	Filed 11/15/21 Page 155 o	f 211 PageID#
AMOUNT \$0.00		DEAL ACCEPTED (	
DATE ACCEPTED 10/19/18	<b>=</b>		
DEAL NOTES		LIBERTY\	shaun.york
ok			
POSSIBLE RESCISSION			
CFO APPROVAL			
CFO APPROVAL 🔽		DATE APPROVED 11/13/201	8 🔳
FINANCE NOTES			
CEO APPROVAL			
CEO APPROVAL		DATE APPROVED	
Notes			✓ Show

PACER Service Center Receipt 01/08/2019 10:33:09 1314972414

User legalcompliance Client Code legalcompliance

**Description** Bankruptcy Party Search

All Courts; Name Gorosave, Maribel; Jurisdiction BK; SSN4

5661; All Courts

Billable Pages 1 (\$0.10)

Entity	5205		
	Current	Past Due	Total
Notes	-	-	-
AR	-	16,812.07	16,812.07
Total	-	16,812.07	16,812.07

ntact In	format	ion			Snapsho							
tity Name ner Name	: Marib	el Goros			Comm	unicatio	n					
Phone	: (626)	482-91	68		Catego	ry		Product	Su	b Product	<u>t                                     </u>	
Email Address	: marib	elgorosa	ve@hotma Calexico, CA	il.com 4 92231	selec	:t	~	select -	- 💟	select	~	
Addices	. 557 L	CC AVC C	calcalco, cr	772231	Status			Follow up				
y Metric	s				selec	ct	~	i onow up				
Hide PRF61 - Fra Operations	nchisee	Performa	ance for Fin	ance and	Subjec	t						
Operation	n Data											
	Curren Calend YTD	ar C	rior Calendar 'TD	Variance	Comme	ent					^	
# of Offices	2	2		0.00%	Add Ne	N4/						
Total Returns	1	2		-50.00%	Add Ne	ew .						
Free Returns	0	0			Contac	t Log H	istory					
Gross Fees	374.00	5	76.00	-35.07%	There is r	no contact lo	og history four	ıd				
Net Fees	324.00	5	76.00	-43.75%								
Average	324.00		88.00	12.50%	Issues							
Net Fees	324.00	2	.00.00	12.30%						Issue		
Complian	ce Data				ID	Status	Product	Department	Assigned	Title	Owner	
Budget App	roved	6/4/20	18		2019829		Compliance	AD Ops		Required	LIBERTYTAX\lts19230	
P&L Approv	red					On Customer				IRS EITC Due		1
Action Plan Approved										Diligence Training		
Last GRR Lo	ocked	1/7/20	19		2017470	Waiting	Compliance	AD One		Required	LIBERTYTAX\ent5205	5
Financial	Data				2017470	On Customer	Compilarice	дь орз		IRS EITC Due	LIBERT I PARCINOZO	
rinanciai		/2019	FY2018	FY2017						Diligence Training		
Operating					1964452	Waiting	Drake	Technical		Missing	LIBERTYTAX\lts14926	6 4
Loan:	0.		0.00	0.00	1001102	On Customer	Diano	Support (US)		Drake Business	2.22.11.17.01.11.01.10.21	Z F
CIF Loan:		00	5,200.00	8,550.00		Customer				Returns in		ı
Total Debt:	16	5,812.07	0.00	-9,321.05						Key Metrics / Incorrect Version Installed		
					1865426	Waiting On Customer	Other	AD Franchise Development		Siempre Tax - Franchise Disclosure Document Amended 7-17 Am 9-17 Release	LIBERTYTAX\ent5205	5
					1852418	Waiting On Customer	Other	AD Franchise Development		Liberty Tax Service - Franchise Disclosure Document Amended 7-17 Am 9-17	LIBERTYTAX\ent5205	5

**Entity Status** 

Entity Type

**General Information** 

Entity Name

### Admin System - Entity 5205 Page 2 of 4 Case 2:21-cv-00615-RCY-RJK Document 1 Filed 11/15/21 Page 159 of 211 PageID# 159

Maribel Gorosave	Franchisee	Contract Closed/Active	$\checkmark$
wnership Type fole-proprietorship		EIN 26-1319294	Termination Date
ole-proprietorship	V	20-1319294	
oker	Corporate Entity		
one 🔽	Ш		
Contact Information			
Address		Zip/Postal Code	City
937 Lee Ave		92231	Calexico
State/Province		Phone	Fax
California	~	(626) 482-9168	(760) 352-7643
Cell/Text Phone	Email		_
(626) 482-9168	maribelgorosave@hotma		_
Insurance Information			
Participation	Licensed Agent - Franchisee	Licensed Agent - Employee	3rd Party Agent - In Office
[Select]			
2nd Dante Assat Dafannal			
3rd Party Agent - Referral	_		
Entity Office Count Goal			
-		2021	2022
<u>Current</u> 2	2020 0	0 2021	0 <u>2022</u> 0
Last Modified 9/12/2016	_		
0/12/2010			
Schedule Opening:	2020	2021	2022
	0	0	0
Location Information			
Address		Zip/Postal Code	City
937 Lee Ave		92231	Calexico
State/Province		Phone	_
California	$\vee$	(626) 482-9168	
Billing Information			
Name	Address		Zip/Postal Code
Maribel Gorosave	937 LEE AVE		92231
City	State/Province		_
CALEXICO	California	~	]
Entity Owner(s)			
Primary Owner			
First Name Owner: Maribel	Last Name Gorosave	Date Of Birth 10/11/1979	SSN ###-##-5661
	Gulusave	10/11/13/3	<del>###-##-</del> 500 I
Spouse:			
ttings			
ithholding Type	Support Level	Receive Daily Metrics Email	Top Gun A

Standard Fee Intercept 🔽	Rank 2	$\checkmark$	
op Gun B	Elite 18	Millionaire	Large Entity Support
antastic 50	ACA Certified	PHOENIX Remote Signing	<del>-</del> -
Pricing Curve			
Start Date F	Pricing Curve		
1/2	85%		
1/20 3/1	100% 80%		
5/1 -/8	100%		
70	100 /0		
Bank Account Informat	ion		
	Name on Account  MARIBEL GOROSAVE	Routing Number (RTN) 122000247	Account Number (DAN) 6325946850
Account Type			
Checking	<b>2</b>		
Wire Transfer Informat	ion		
AC			
requests?	at a rate of \$50 per request; the	his fee will be billed to your A	R. Do you accept this fee for future wire
Accept Wire Fees:			
Bank Name	Routing Number (RTN)	_	
FAC Pre-Approval			
_evel	Amount	Start Date	End Date
2		4/1/2014	1/31/2015
Vote			
voic			<u></u>
			~
gal			
Legal Documents	Name		Madigad
<ul><li>5205</li><li>Onboarding Document</li></ul>	Name		Modified
☐ Entity Amendments &			
Guaranties			
<ul><li>Correspondence</li><li>Promissory Notes</li></ul>			
☐ Miscellaneous			
☐ LTCA376			
☐ LTCA375 ☐ STCA375			
	l		
inkruptcy Indicator			

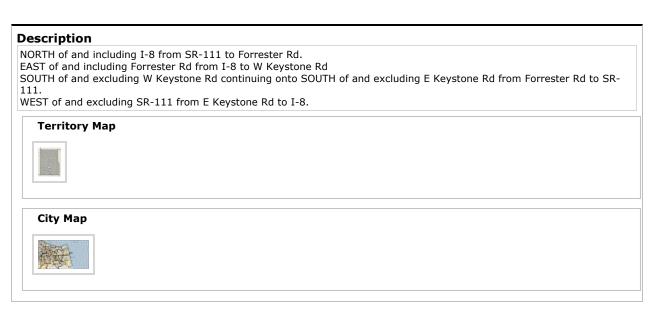
Legal Notes
09/12/16 Entity 5205 Amendment finalized removing Nora Garcia. Cgd;

<b>Entity Break</b>	Entity Breakdown											
Id	Name	DMA	Sales Rep DM	RD	AD	Address	City	State	Internal Support	Open Date	Return Count	Status
Region 101 (Apollo Emeka )				Jay Canaday	,							
CA375	ElCentroCA-1	Yuma-El L Centro, AZ-CA	UnassignedUnassigne	ed	Apollo Emeka				Patricia Old			Active/Contract Closed
14926	El Centro					440 SOUTH 4TH STREET	El Centro	CA		1/8/2009	1	Active
19715	Siempre					350 Ross Ave Suite E	El Centro	CA		1/8/2015	0	Inactive
CA376	BrawleyCA-1	Yuma-El Centro, AZ-CA	UnassignedUnassigne	ed	Apollo Emeka				Patricia Old			Active/Contract Closed
19230	BRAWLEY OFFICE					251 W MAIN ST	Brawley	/CA		1/8/2014	0	Active

#### **Territory CA375**

Territory Information			
Name			
ElCentroCA-1		<u> </u>	
Status			
Active/Contract Closed		~	
Previous Status		Entity Q	
Under Contract		5205	
Area Developer 4 8758	Region 101 (Apollo Emeka )		<b>~</b>
City	State		
El Centro	California		~
DMA			
Yuma-El Centro, AZ-CA		Standard Market	~
Contract Effective	Contract Expires	FR Contract Effective	
4/30/2008	4/30/2013	5/1/2013	
FR Contract Expires	Buy Back	Projected Open Date	
5/1/2018		1/8/2009	
Commission Agree Exp.	Sale Price	Sale Price Includes	
	\$0.00	Commission and Transf Fee	fer
For Sale By Owner	Advertising		
		_	
AD Support Rep			
Patricia Old		$\checkmark$	
Guarantee			
Guarantor		_	
Salos Pon			
Sales Rep Unassigned		<u> </u>	
	ı	<del>_</del>	
<u>District Manager</u> Unassigned		$\overline{\vee}$	
	L		
Last Locked GRR: 12/2018		_	
Territory Transaction [Select]		$\overline{\vee}$	
[00,000]	L	<u>·</u>	
<b>Brand Information</b>			

Territory Brand Indicator Liberty & SiempreTax	Sales Rights Indicator [Select]	SB Contract Effective	
SB Contract Expires 11/13/2019	SB FR Contract Effective	SB FR Contract Expires	
SB Projected Opening Date 2015	$\checkmark$		
Agreement Type Royalty Type			
	Receipts, subject to \$11,000 i	minimum (FA 7-12,7-11,7-10,7	7-09,7-08,7-07,7-06,7-
5% of all Gross Receipts			~
Market Maps			



<b>Competition Office List</b>			
Office Name	Address	City State/F	ProvinceCompetitor Return Co
SelectH & R BLOCK	3051 N IMPERIAL A	VE EL CENTROCA	H&R Block 2229
SelectJACKSON HEWITT TAX	SERVICE3751 S DOGWOOD	AVE EL CENTROCA	Jackson Hewitt32
SelectJACKSON HEWITT TAX	SERVICE2150 N WATERMAN	AVEEL CENTROCA	Jackson Hewitt0
	ail		
Competition Office Deta			

Legal			

Legal Documents :::		
	Name	Modified

otes		
Territory Notes		
Royalty update 05.12.2 (ADT-SWST014)	009 Royalty update 05.11.2010	
Sale Notes		
FA Address		

**Entity Information** 

Entity Name: Maribel Gorosave Entity Phone: (626) 482-9168 Entity Cell Phone: (626) 482-9168 Area Developer Name: Apollo Emeka

Territory	Breakdown									
Id	Name	DMA	Sales Rep DM	RDAD	Addres	sCity S	State Interna Suppor	alOpen t Date	Returi Count	<sup>n</sup> Status
CA375	ElCentroCA-	Yuma- 1 <sup>El</sup> Centro AZ-CA	, UnassignedUnassigned	d Apollo Emek			Patricia Old			Active/Contract Closed
1492	6EI Centro				STREET	El Centro	CA	1/8/200	091	Active
1971	5Siempre				350 Ross Ave Suite E	El Centro	CA	1/8/201	150	Inactive

#### **Territory CA376**

neral Information	
Territory Information	
Name	
BrawleyCA-1	
Status	
Active/Contract Closed	
Previous Status Entity Q	
Under Contract 5205	
Area Developer Region 101 (Apollo Emeka )	~
City State	
Brawley California	~
DMA Type	
Yuma-El Centro, AZ-CA Standard Market	~
Contract Effective Contract Expires FR Contract Effective	
12/19/2018	
FR Contract Expires Buy Back Projected Open Date	
1/8/2014	
Commission Agree Exp. Sale Price Sale Price Includes	_
\$40,000.00 Commission and Transfe Fee	er
For Sale By Owner Advertising	
AD Support Rep	
Patricia Old	
Guarantee	
Guarantor	
Sales Rep	
Unassigned	
District Manager	
Unassigned	
Last Locked GRR:	
12/2018	
Territory Transaction	
[Select]	
Brand Information	

Territory Brand Indicator Liberty Exclusive	Sales Rights Indicator [Select]	SB Contract Effective	
SB Contract Expires	SB FR Contract Effective	SB FR Contract Expires	
Agreement Type			
Royalty Type			
Third Year+ -14% of Gross	Receipts, subject to \$11,000	minimum (FA 7-12,7-11,7-10,7	7-09,7-08,7-07,7-06,7-
Advertising			
5% of all Gross Receipts			✓
Market Maps			_

#### **Description**

NORTH of and including Keystone Rd from SR-115 to McConnell Rd.

WEST of and excluding McConnell Rd from Keystone Rd to E Keystone Rd.

NORTH of and including E Keystone Rd continuing onto NORTH of and including W Keystone Rd from McConnell Rd to Forrester Rd.

EAST of and including Forrester Rd from W Keystone Rd to Baughman Rd.

NORTH of and including Baughman Rd from Forrester Rd to S H St.

EAST of and including S H St from Baughman Rd to W Main St.

SOUTH of and excluding S Main St continuing onto SOUTH of and excluding E Main St continuing onto SOUTHWEST of and excluding Miller Ave from S H St to Boarts Rd.

EAST of and excluding Boarts Rd continuing onto SOUTH of and excluding Boarts Rd from Miller Ave to Kalin Rd.

EAST of and including Kalin Rd from Boarts Rd to W Rutherford Rd.

SOUTH of and excluding W Rutherford Rd continuing onto SOUTH of and excluding Rutherford Rd from Kalin Rd to West Rd. WEST of and excluding West Rd from Rutherford Rd to Ben Hulse Hwy.

SOUTH of and excluding Ben Hulse Hwy from West Rd to SR-115.

WEST of and excluding SR-115 from Ben Hulse Hwy to Keystone Rd.

#### **Territory Map**



#### City Map



#### **Competition Offices**

Competition Office List					
Office Name	Address	City	State/Province	Competitor	Return Count
Select H&R BLOCK	631 MAIN ST	BRAWLEY	CA	H&R Block	2409
Select JACKSON HEWITT TAX SERVICE	250 WILDCAT DR	BRAWLEY	CA	Jackson Hewitt	0

#### **Competition Office Detail**

Select an office above, or Add a new Competition Office

Legal		
Legal Docume	ents 📫	
	Name	Modified

Territory Note				
Royalty update 6.	0.2015 Royalty update 6.30	.2015		
(ADT-SWST014)				
Sale Notes				
10/1/13 - UC to 5	05 for expansion; see Osca	A or Liza M for details. e	t	
FA Address				

#### **Entity Information**

Entity Name: Maribel Gorosave Entity Phone: (626) 482-9168 Entity Cell Phone: (626) 482-9168 Area Developer Name: Apollo Emeka

Territory I	Breakdown							
Id	Name	DMA	Sales Rep DM	RDAD	AddressCity	State Internal Op	pen ate	Return Count
CA376	BrawleyCA-	Yuma- 1 <sup>El</sup> Centro AZ-CA	UnassignedUnassigned ,	Apollo Emeka		Patricia Old		Active/Contract Closed
1923	OFFICE				251 W MAIN ST Brawley	/CA 1/8	8/2014	0 Active

# EXHIBIT

E



July 11, 2019

**VIA UPS** 

Maribel Gorosave 937 Lee Ave. Calexico, CA 92231

Re: Non-Renewal of Liberty Tax Service Franchise Agreement for CA375

**Entity: 5205** 

Dear Maribel Gorosave:

This is to confirm that you have notified Liberty in writing on June 25, 2019, of your intent not to renew your Franchise Agreement, pursuant to the terms of your Franchise Agreement with JTH Tax, Inc. d/b/a Liberty Tax Service ("Liberty") for the territory known as CA375. As such, Liberty accepts and agrees to your voluntary election to non-renew your Franchise Agreement. Therefore, the Franchise Agreement for the above referenced territory is hereby non-renewed such that, effective immediately, you shall no longer retain any rights to the territory.

Please be reminded that you are bound by your post-termination duties, including but not limited to the covenant not to compete. These duties also include returning all paper and electronic customer information to Liberty as well as transferring the Liberty phone number(s) to Liberty. Please deliver all electronic and paper files and customer information immediately. Please also immediately remit any and all amounts due and owing for this territory.

Please contact your Operational Support Representative if you have any questions or concerns.

LIBERTY TAX SERVICE

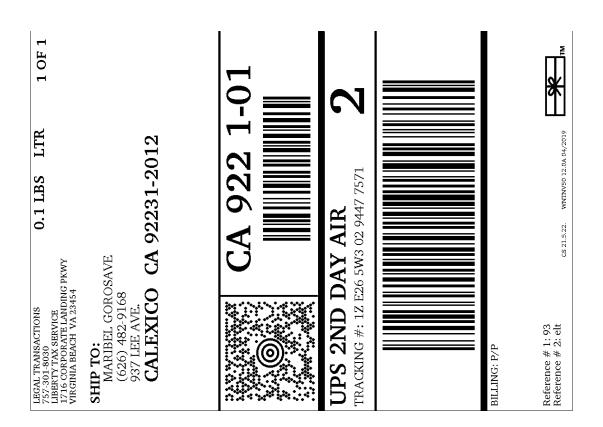
CC: Shaun York Jay Canaday Brent Turner

DocuSigned by:

Dur M

E032BD2AD61A4C6...

Chief Executive Officer



#### **Ericka Tynan**

From: Thomas Bartolomeo

**Sent:** Tuesday, July 09, 2019 9:14 AM

**To:** Legal Transactions

**Cc:** Patricia Old **Subject:** FW: FA Renewal

Good morning Legal team,

Below is an email chain regarding the non-renewal of Entity 5205 Maribel Gorosave. In the email from Maribel on 6/25 she indicated she does not wish to renewal her expired FA. Is this enough to proceed with the non-renewal process and if so what will be needed from the operations side? Please let me know if any additional information is needed.

Thank you,

**Thomas Bartolomeo** | Area Developer Corporate 1716 Corporate Landing Pkwy | Virginia Beach, VA 23454

Office: 757-453-6175











From: Thomas Bartolomeo

**Sent:** Monday, July 8, 2019 10:33 AM

To: Maribel Gorosave <maribelgorosave@hotmail.com>

Cc: Patricia Old <patricia.old@libtax.com>

**Subject:** RE: FA Renewal

Good morning Maribel,

I hope you had a great weekend. Please give me a call at your earliest opportunity to discuss the non-renewal process. I can be reached anytime at 757-453-6175.

Best,

**Thomas Bartolomeo** | Area Developer Corporate 1716 Corporate Landing Pkwy | Virginia Beach, VA 23454

Office: 757-453-6175











From: Thomas Bartolomeo

Sent: Friday, June 28, 2019 1:49 PM

To: Maribel Gorosave < maribelgorosave@hotmail.com >

Cc: Patricia Old <patricia.old@libtax.com>

Subject: RE: FA Renewal

Good afternoon Maribel,

I wanted to follow up to discuss what the non-renewal process will be like. I gave you a call and caught your voicemail, please give me a call at your earliest opportunity.

Best,

**Thomas Bartolomeo** | Area Developer Corporate 1716 Corporate Landing Pkwy | Virginia Beach, VA 23454

Office: 757-453-6175











From: Thomas Bartolomeo

Sent: Tuesday, June 25, 2019 1:46 PM

To: Maribel Gorosave <maribelgorosave@hotmail.com>

Cc: Patricia Old <patricia.old@libtax.com>

Subject: RE: FA Renewal

Good morning Maribel,

I'm sorry to hear that you have decided not to renew your franchise agreement with Liberty Tax. I am happy to help as you transition out of the system. The first step will be to submit an evaluation to our owned and operated team. At your earliest opportunity, please respond with the land lord contact information as well as the most recent lease on the space. Once the owned and operated department completes the evaluation we can determine how to proceed with the files.

Please let me know if you have any questions as this process moves forward.

Best,

**Thomas Bartolomeo** | Area Developer Corporate 1716 Corporate Landing Pkwy | Virginia Beach, VA 23454 Office: 757-453-6175











From: Maribel Gorosave <maribelgorosave@hotmail.com>

**Sent:** Tuesday, June 25, 2019 1:28 PM

To: Thomas Bartolomeo <Thomas.Bartolomeo@libtax.com>

**Subject:** Re: FA Renewal

**EXTERNAL:** This email originated from outside of Liberty Tax. Do not click any links or open any attachments unless you trust the sender and know the content is safe.

Good Morning Mr. Bartolomeo,

I do not plan to renew the contract with Liberty Tax Service. Please let me know what I should do with the files I currently have. I will be out of town this week, but will return July 1st.

Thank you, Maribel Gorosave

Liberty Tax Service 440 S. 4th Street El Centro, CA 92243 760-352-7642

From: Thomas Bartolomeo <Thomas.Bartolomeo@libtax.com>

**Sent:** Friday, June 21, 2019 7:56 AM **To:** <a href="mailto:maribelgorosave@hotmail.com">maribelgorosave@hotmail.com</a>

Subject: FA Renewal

Good morning Maribel,

I hope the week has treated you well. I wanted to reach out to confirm you received your Franchise Agreement renewal. Please take the time to review and sign the document. If you have any questions regarding the renewal please do not hesitate to reach out.

Best,

**Thomas Bartolomeo** | Area Developer Corporate 1716 Corporate Landing Pkwy | Virginia Beach, VA 23454 Office: 757-453-6175











This electronic communication and any files transmitted with it, or attached to it, are confidential and are intended solely for the use of the individual or entity to whom it is addressed and may contain information that is confidential, legally privileged, protected by privacy laws, or otherwise restricted from disclosure to anyone else. If you are not the intended recipient or the person responsible for delivering the e-mail to the intended recipient, be advised that you have received this e-mail in error, and that any use, dissemination, forwarding, printing, or copying of this e-mail is strictly prohibited. If you received this e-mail in error, please return the e-mail to the sender, delete it from your computer and destroy any printed copy of it. Although our company attempts to sweep e-mail and attachments for viruses, it does not guarantee that either are virus-free and accepts no liability for any damage sustained as a result of viruses.

#### **Patricia Old**

From:

Elizabeth Cabrera

Sent:

Tuesday, July 9, 2019 9:44 AM

To:

Thomas Bartolomeo; Legal Transactions

Cc:

Patricia Old

Subject:

RE: FA Renewal

5205 - CA375

Good morning,

This is sufficient from the Zee to proceed – we do need COO and RD approval as well. Note that we show a past due amount of \$4,131.69 for this zee, who is exiting system.

Thank you, Lisa

#### Lisa Cabrera

Legal Department Manager | Senior Corporate Paralegal Liberty Tax Service | www.libertytax.com

1716 Corporate Landing Pkwy. | Virginia Beach, VA 23454

Office: 757-301-8297



From: Thomas Bartolomeo

Sent: Tuesday, July 9, 2019 9:14 AM

To: Legal Transactions < Legal Transactions@libtax.com >

Cc: Patricia Old <patricia.old@libtax.com>

Subject: FW: FA Renewal

Good morning Legal team,

Below is an email chain regarding the non-renewal of Entity 5205 Maribel Gorosave. In the email from Maribel on 6/25 she indicated she does not wish to renewal her expired FA. Is this enough to proceed with the non-renewal process and if so what will be needed from the operations side? Please let me know if any additional information is needed.

Thank you,

**Thomas Bartolomeo** | Area Developer Corporate 1716 Corporate Landing Pkwy | Virginia Beach, VA 23454

Office: 757-453-6175



Case 2:21-cv-00615-RCY-RJK Document 1 Filed 11/15/21 Page 176 of 211 PageID# 176

— Party Informa	tion —				
* At least o	ne is required.				Find Bankruptcy by SSN/EIN
** To use th	is field, you must also enter a last n	name or er	ntity nam	e.	Basic Party Search
Party 🕜	Last Name or Entity Name: *		First N	ame: **	Middle Name: **
	Gorosave		Marib	el	
	Last Name or Entity Name *		First N	ame **	Middle Name **
	Exact Matches Only ?				
Party Role				3	
Four Digit SSN **	5661	?		No Results Found	4
SSN or EIN *		8			
				The search return	ned no results.
— Case Informat	tion —			PACER Service	Center Receipt 07/11/2019 16:24:32 912609624
Court Type	Bankruptcy		8	User Client Code	legalcompliance
Case	Number: * ?	Title:	3	Description	Bankruptcy Party Search All Courts; Name Gorosave, Maribel; Jurisdiction
				Results	BK; SSN4 5661; All Courts The search returned no results.
	Number * ?	Title	8	Billable Pages	1 (\$0.10)
	Type:   (2)		]	OK Save	Search
	Type ?				
Region			Ma	p	
_					
Chapter *			3		
— Date Range —					
Date Filed *	to	0		Prior N	Month Prior Six Months Prior Year
	?				
Date Closed *	to	0		Prior N	Month Prior Six Months Prior Year
	<b>?</b>				
Date Dismissed *	to	<b>o</b>		Prior I	Month Prior Six Months Prior Year
	?				
Date Discharged *	to	0		Prior N	Month Prior Six Months Prior Year
	?				

**NOTE:** Newly filed cases will typically appear on this system within 24 hours. Check the Court Information page for data that is currently available on the PCL. The most recent data is available directly from the court.

PACER Case Locator: Advanced Party Search Page 2 of 2 Case 2:21-cy-00615-RCY-RJK Document 1 Filed 11/15/21 Page 177 of 211 PageID# 177

Search Clear

☐ Make this my PCL home page.

No Results Found

The search returned no results.

#### **PACER Service Center**

Receipt 07/11/2019 16:24:32 912609624

User legalcompliance

**Client Code** Description

Bankruptcy Party Search

All Courts; Name Gorosave, Maribel; Jurisdiction BK; SSN4 5661; All Courts

The search returned no results.

Results

**Billable Pages** 1 (\$0.10)

OK

Save Search

### Debt as of 7/10/2019

Entity	5205
--------	------

	Current	Past Due	Total
Notes	-	-	-
AR		4,131.69	4,131.69
Total	-	4,131.69	4,131.69

ntact In	formatic	n			Snapsho	t						_
Intity Name: Maribel Gorosave Where Name: Maribel Gorosave Phone: (626) 482-9168 Email: maribelgorosave@hotmail.com Address: 937 Lee Ave Calexico, CA 92231				Catego selec		on V	Product select			~		
y Metric	s				Status selec	:t	~	Follow u	<u>p</u>			
Hide					00.00			J				
COS08 - Co					Subjec	t						-
COS09 - Cu Data			•	airment								
PRF60 - Fra PRF61 - Fra				e and	Comme	ent						
Operations											^	
PRF64 - Per ACC32 - Ze			n for Opera	itions							$\checkmark$	
RDR62 - Bu	ıdget, P&L,		Plan Require	ed	Add Ne	ew						
Information RDR64 - Pa		nmary										
Financial Pr			mpliance-	Corporate	Contac	+ 1 0 0 1	istom					7
Operation	n Data				Contac	t Log H	istory					
	Current Calendar YTD	Prid Cal YTI	endar	Variance	There is r	no contact lo	og history four	nd				
# of Offices	1	2		-50.00%	Issues							1
Total Returns	361	337	7	7.12%	ID	Status	Product	Department	Assigned	Issue Title	Owner	
Free Returns	62	59		5.08%	2151421	On	Customer Opportunity	Operations (US)	liberty\ad8758	Customers whose	LIBERTYTAX\ent	t <b>5</b> 205
Gross Fees	123,979.	78 113	3,765.00	8.98%		Customer	er			returns inadvertently included		
Net Fees	81,947.0	4 84,	526.00	-3.05%						Form 8689		
Average Net Fees	278.73	307	7.37	-9.32%	2136807	Waiting On Customer	Document Request	Operations (US)	liberty\patricia.old	CA375 FA Renewal	LIBERTYTAX\ent	t <b>5</b> 205
Complian	ce Data				2128556		Customer	Operations	liberty\ad8758	CAMPOS,	LIBERTYTAX\lts1	14026
Budget App					2120330	On	Opportunity		liberty (ado / 56	CAIVIFOS,	LIBERT FIAX(IIS)	14320
P&L Approv						Customer						
Action Plan	Approved				2116150	Waiting On	Phoenix	Technical Support		Client: Arturo	LIBERTYTAX\lts1	14926
Last GRR L	ocked	6/5/2019				Customer		(US)		Barrios 8029		
Financial	Data				2116146	On	Phoenix	Technical Support		Client: Bertha	LIBERTYTAX\lts1	14926
		FY2020	FY2019	FY2018		Customer		(US)		Coronado 1148		
Operating I	_oan:	0.00	0.00	0.00								
CIF Loan:		0.00	5,950.00	5,200.00								_
Total Debt: 4,131.69 0.00 0.00												

<b>General Information</b>				
Entity Name	Entity Type	Entity Status	[N	
Maribel Gorosave	Franchisee	Contract Closed/Active	$\smile$	
Ownership Type		EIN	Termination Date	
Sole-proprietorship	$\vee$	26-1319294		
Broker None	Corporate Entity			
Contact Information				
Address		Zip/Postal Code	City	
937 Lee Ave		92231	Calexico	
State/Province		Phone	Fax	

Settings				
Withholding Type Standard Fee Intercept	Support Level Rank 2	Receive Daily Metrics Email	Top Gun A	
Top Gun B	Elite 18	Millionaire	Large Entity Support	
Fantastic 50	ACA Certified	PHOENIX Remote Signing		
Pricing Curve				
Start Date	Pricing Curve			
1/2	85%			
1/20	100%			

4/8	100%			
Bank Account Information				
	MARIBEL GOROSAVE		Account Number (DAN) 6325946850	
Account Type Checking				
Wire Transfer Information				
Wire transfers are offered at a ranked Accept Wire Fees:	ate of \$50 per request; this	s fee will be billed to your AR	. Do you accept this fee for future wir	e requests?
Bank Name Ro	outing Number (RTN)			
Entity Debt Tracking				
FAC Pre-Approval				
	nount 5000	<u>Start Date</u> 4/1/2014	End Date 1/31/2015	
Note				
				<b>~</b>
egal				
Legal Documents   ⇒ 5205	Name		Modified	
☐ S205 ☐ Onboarding Documents ☐ Entity Amendments & Guaranties ☐ Correspondence ☐ Promissory Notes ☐ Miscellaneous ☐ LTCA376(i) ☐ LTCA375		Packet CA375 CA376.pdf	June 12th 2019, 11:10:20 am	

**Legal Notes** 

1/8/19 Terminating Siempre rights of CA375 and CA376 with one active office: 19230 via MT. TSM maribelgorosave@hotmail.com 09/12/16 Entity 5205 Amendment finalized removing Nora Garcia. Cgd;

Cas	Se 2:21-cv-0061 Name DMA	5-RCY-RJK Sales Rep DM	Documer RD	nt 1 File AD	d 11/15/ Address		Oage 182 of State Support	Open Ret	
Region 101 (Thomas Bartolomeo)			Jay Canaday	,					
CA375	Yuma-El ElCentroCA-1Centro, AZ-CA	l UnassignedUnassi	igned	Thomas Bartolomeo			Patricia Old		Active/Contract Closed
14926	El Centro				440 SOUT 4TH STREET	H El Centro	CA	1/8/2009 361	Active
19715	Siempre				350 Ross Ave Suite	El E Centro	CA	1/8/2015 0	Inactive

<b>Territory Information</b>					
Name			Status		
EICentroCA-1			Active/Contract Closed		~
Previous Status			Entity 4	Area Developer 🔍	
Terminated/For Sale			5205	8758	
Tommatou, For Galo					
Region			City	_	
101 (Thomas Bartolomeo)			El Centro		
State			DMA		
California		~	Yuma-El Centro, AZ-CA		~
Гуре	AD FF Royalty %		AD Royalty %	Contract Effective	
Standard Market	0.00%		0.00%	4/30/2008	
Contract Expires	FR Contract Effective		FR Contract Expires	Buy Back	
4/30/2013	5/1/2013		5/1/2018	Duy Duck	
Projected Open Date	Commission Agree Exp.		Sale Price	Sale Price Includes	:
1/8/2009			\$0.00	Commission and Transf Fee	er
For Sale By Owner	Advertising		AD Support Rep		
			Patricia Old		~
<b>.</b>					
Guarantee			Guarantor		
Sales Rep Unassigned		<b>\</b>	District Manager Unassigned		<b>.</b>
Onassigned			Onassigned		
Last Locked GRR:			Territory Transaction		
05/2019			[Select]		~
Brand Information					
Territory Brand Indicator Liberty Only					
Liberty Offig					
SB Contract Effective	SB Contract Expires		SB FR Contract Effective	SB FR Contract Expires	
11/13/2014	11/13/2019				
Agreement Type					
Royalty Type Third Year+ -14% of Gross	Receipts, subject to \$11,	000 n	ninimum (FA 7-12,7-11,7-10	,7-09,7-08,7-07,7-06,7-08	5,7-
Advertising					
Advertising 5% of all Gross Receipts					1

## **Description**

NORTH of and including I-8 from SR-111 to Forrester Rd.

EAST of and including Forrester Rd from I-8 to W Keystone Rd

SOUTH of and excluding W Keystone Rd continuing onto SOUTH of and excluding E Keystone Rd from Forrester Rd to SR-111. WEST of and excluding SR-111 from E Keystone Rd to I-8.

### **Territory Map**



### **City Map**



## **Competition Offices**

Competition Office List					
Office Name	Address	City	State/Province	Competitor	Return Count
Select H & R BLOCK	3051 N IMPERIAL AVE	EL CENTRO	CA	H&R Block	2229
Select JACKSON HEWITT TAX SERVICE	3751 S DOGWOOD AVE	EL CENTRO	CA	Jackson Hewitt	32
Select JACKSON HEWITT TAX SERVICE	2150 N WATERMAN AVE	EL CENTRO	CA	Jackson Hewitt	0

## **Competition Office Detail**

Select an office above, or Add a new Competition Office

## 

## Notes

## **Territory Notes**

1/8/19 Previously owned by entity 5205; Siempre rights terminated via MT. TSM Royalty update 05.12.2009 Royalty update 05.11.2010

(ADT-SWST014)

Previously owned by Entity 5205 terminated on 01/08/2019.

Territory CA375 terminated on 01/08/2019.

Admin System - Territory CA375	Page 3 of 3
Case 2:21-cv-00615-RCY-RJK Document 1 Filed 11/15/21 Page	e 185 of 211 PageID# 185 $_{\parallel\parallel}$
(BRAND MIRROR-CA9DV)	
Sale Notes	
FA Address	

## **Entity Information**

Entity Name: Maribel Gorosave
Entity Phone: (626) 482-9168
Entity Cell Phone: (626) 482-9168
Area Developer Name: Thomas Bartolomeo

Territory	Breakdown										
Id	Name	DMA	Sales Rep DM	RDAD	Address	City	Stat	e Support	IOpen t Date	Returr Count	¹Status
CA375	ElCentroCA-	Yuma- El 1Centro, AZ-CA	UnassignedUnassigned	d Thomas Bartolomed	)			Patricia Old			Active/Contract Closed
1492	6El Centro				440 SOUTH 4TH STREET	El Centro	CA		1/8/200	9361	Active
1971	5Siempre				350 Ross Ave Suite E	s El Centro	CA		1/8/201	.50	Inactive

neral Information	D 1: C1:	Ct. I	D : O.C. (	- ··· 0
fice Name	Reporting Status	Status	Processing Office	Entity 4
Centro	Active	Active	14926	5205
	0	Detail Status:None		
a Developer 🥄	Territory Q	Region		Open Date
58	CA375	101 (Thomas Bartolomeo)	$\vee$	1/8/2009
IRS Electronic Filing	1			
_				
Office EFIN	EFIN Tracking Number	Ownership Type	Vendor Control Number	
304583	20080610223412462772	Individual	97864D4D95	
irst Name	<u>Last Name</u>	SSN	Date of Birth	_
laribel	Gorosave	553-91-5661	10/11/1979	
Uploaded Verificati	ion Documents			
opioaueu verificati	ion Documents	FFIN Application Comme		
EFIN/FA Verified		EFIN Application Summa	гу	
✓				
1anager				
rst Name	Last Name	SSN	Date of Birth	
aribel	Gorosave	553-91-5661	10/11/1979	_
nail				
naribelgorosave@hoti	ma	_		
nanbeigorosave@noti	1116			
age/Online Listings Info" Address	button on the top menu bar to view			nformation is approved. Click on the "Offi
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# **Location Information**

Regular mail

Contact Name Maribel Gorosave  City State Plane Number (760) 352-7642  Address 440 SOUTH 4TH STREE  Colifornia  Contact Name  Phone Number California  Contact Name  Phone Number Address  Address  Fig. Code City State [Select]  Entity Billing Address  Name  Address  Zip  Address  Zip		City	State	
Maribel Gorosave  (760) 352-7642  440 SOUTH 4TH STREE  Zip Code City State Colifornia  Overnight mail Contact Name Phone Number Address  Fittity Billing Address  Name Address  City State			[Select]	lacktriangle
Maribe Corosave (760) \$52-7642 440 SOUTH 4TH STREE  Zip Code City State Contact Name Phone Number Address  Fitty Billing Address Name Address  Landlord Contact Information City State Contact Name Phone Control Contact Information Contact Name Phone Control Control Contact Name Phone Control Contact Name Phone Control Contact Name Phone Control Contact Name Phone Control Contact Name Routing Number (RTN) Account Number (State) Account Type [Select] State Contact Name Re-enter Routing Number Re-enter Account Number (State) Account Type [Select] State Contact Name Re-enter Routing Number Re-enter Account Number (State) Account Type [Select] State Contact Name Routing Number Re-enter Account Number (State) Account Type [Select] State Contact Name Re-enter Account Number (State) Account Type [Select] State Contact Name Re-enter Routing Number (RTN) Account Nu	Packages			
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Entity Billing Address  Name  Address  Zip  City  State CA  CA  Landlord Contact Information  Check Payee  Deserf Properties  Address 1  429 W. Main Street  Address 2  Zip 92243  El Centro  Contact Name  Phone (760) 352-7791  This landlord authorizes ACH receipt of rents  Landlord Bank Account Information  Routing Number (RTN) Account Type (Select)  Re-enter Routing Number Re-enter Account Number  Name as it appears on account  Lease Terms	zip Code	City		lacksquare
Address Zip  Landlord Contact Information Check Payee Desert Properties Address 1 429 W. Main Street Address 2  Zip State California  Contact Name Phone Contact Name Phone (760) 352-7791  This landlord authorizes ACH receipt of rents  Landlord Bank Account Information Routing Number (RTN) Account Type [Select]  Re-enter Routing Number Re-enter Account Number Name as it appears on account  Lease Terms Start DateEnd DateMonthly RentMonthly CamBent Due Day			[Jestest]	
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Desert Properties  Address 1 429 W. Main Street  Address 2  Zip State 92243 El Centro California  Contact Name Phone (760) 352-7791  This landlord authorizes ACH receipt of rents  Landlord Bank Account Information  Routing Number (RTN) Account Number (DAN) Account Type [Select]  Re-enter Routing Number Re-enter Account Number  Name as it appears on account  Rent / Lease Information  Lease Terms  Start DateEnd DateMonthly RentMonthly CamRent Due Day	Landlord Contact Inform	nation		
Address 1 429 W. Main Street  Address 2  Zip City State 92243 El Centro California V  Contact Name Phone (760) 352-7791  This landlord authorizes ACH receipt of rents  Landlord Bank Account Information  Routing Number (RTN) Account Number (DAN) Select]  Re-enter Routing Number Re-enter Account Number  Name as it appears on account  Rent / Lease Information  Lease Terms  Start DateEnd DateMonthly RentMonthly CamRent Due Day			_	
Address 2  Zip City State  92243 El Centro  Contact Name Phone (760) 352-7791  This landlord authorizes ACH receipt of rents  Landlord Bank Account Information  Routing Number (RTN) Account Number (DAN) [Select]   Re-enter Routing Number Re-enter Account Number  Name as it appears on account  Rent / Lease Information  Lease Terms  Start DateEnd DateMonthly RentMonthly CamRent Due Day	Desert Properties			
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Zip City State 92243 El Centro California  Contact Name Phone Email  This landlord authorizes ACH receipt of rents  Landlord Bank Account Information  Routing Number (RTN) Account Number (DAN) Account Type [Select]  Re-enter Routing Number Re-enter Account Number  Name as it appears on account  Rent / Lease Information  Lease Terms  Start DateEnd DateMonthly RentMonthly CamRent Due Day			_	
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Start DateEnd DateMonthly RentMonthly CamRent Due Day	429 W. Main Street		_	
This landlord authorizes ACH receipt of rents  Landlord Bank Account Information  Routing Number (RTN)	429 W. Main Street Address 2	City	_	State
This landlord authorizes ACH receipt of rents  Landlord Bank Account Information  Routing Number (RTN)	429 W. Main Street  Address 2  Zip		_	
This landlord authorizes ACH receipt of rents    Landlord Bank Account Information	Address 2  Zip 92243		Phone	California
Landlord Bank Account Information   Routing Number (RTN)   Account Number (DAN)   Account Type   [Select]         Re-enter Routing Number   Re-enter Account Number     Name as it appears on account	Address 2  Zip 92243			California
Landlord Bank Account Information   Routing Number (RTN)   Account Number (DAN)   Account Type   [Select]   V     Re-enter Routing Number   Re-enter Account Number     Name as it appears on account	Address 2  Zip 92243  Contact Name	El Centro	Phone (760) 352-7791	California
Re-enter Routing Number Re-enter Account Number  Name as it appears on account  Rent / Lease Information  Lease Terms Start DateEnd DateMonthly RentMonthly CamRent Due Day	Address 2  Zip 92243  Contact Name  This landlord authorizes ACI	El Centro	Phone (760) 352-7791	California
Re-enter Routing Number Re-enter Account Number  Name as it appears on account  Rent / Lease Information  Lease Terms Start DateEnd DateMonthly RentMonthly CamRent Due Day	Address 2  Zip 92243  Contact Name  This landlord authorizes ACI	El Centro	Phone (760) 352-7791	California
Re-enter Routing Number Re-enter Account Number  Name as it appears on account  Rent / Lease Information  Lease Terms  Start DateEnd DateMonthly RentMonthly CamRent Due Day	Address 2  Zip 92243  Contact Name  This landlord authorizes ACI	El Centro  H receipt of rents	Phone (760) 352-7791	California
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Landlord Information Verified

Landlord Verification History

urs & Services						
Hours of Operation						
Day	Open Time	Clos	e Time By A	Appointment Only		
Monday	9:00 AM -	5:0	00 PM			
Tuesday	9:00 AM -	5:0	00 PM			
ednesday	9:00 AM -	5:0	00 PM			
Thursday	9:00 AM -	5:0	00 PM			
Friday	<del>-</del>					
Saturday	<del>-</del>			$\checkmark$		
Sunday	-					
Auxiliary Business S	Services					
<b>Start Date</b> is when t	he auxiliary business will be p om your office page. Updates	osted on to post/re	your office p emove auxil	page and <b>End Date</b> (which may be larged by the larged by	e left blank) is when the auxi ge occur frequently throughou	liary business will be removed it the day.
Notary			Passnor	t & ID Photos		
Notary		Ш	Passpor	t & 1D Photos		
This service is	s not available in this office		Т	his service is not available in this	office	
Stip Execution Date:	_	<del></del>	Stip Exec	ution Date:		
Printing & Copy So	ervices s not available in this office		<b>Bookke</b> d	<b>eping</b> This service is not available in this	Office	
Stip Execution Date:	_		Stip Exec	ution Date:		
Payroll This condec is	s not available in this office		Transla	<b>tion</b> This service is not available in this		
THIS SELVICE IS	s not available in this office		'	THIS SELVICE IS THAT AVAILABLE III UNIS	office	
Stip Execution Date:	_		Stip Exec	ution Date:		
Calling Card			Health 1	insurance		
This service is	s not available in this office		Т	his service is not available in this	office	
Stip Execution Date:	_		Stip Exec	ution Date:		

98	Zee/Preparer	~				
Fee	Card Incentive		RAL Registered			
to Print RTs	Able to Print Loans		High Fee Bank Rule	ACA Certified		Check Processing Fee \$0.00
a-El Centro	Unspecified	~	Liberty Tax Office	✓ CF Lilabled		V Reprint Checks
Round V	Storefront Hispanic Office	~	Libtax  Office Branding	JTH Financial  OCP Enabled	~	Meta Bank - Advance Permitted to Reprint Checks
<b>ngs</b> e Operation	Office Type		Software Type	RT Processor		Financial Product Partner
tip Execution Date:			Stip Execution Date:			
This service is no	available in this office		This service is not	available in this office		
Priver's License Assis	stance		Property and Casualty	<sup>,</sup> Insurance		
tip Execution Date:			Stip Execution Date:			
This service is no	available in this office		This service is not	available in this office		
ILA – Immigration I	Referral Program		FREE ITIN Assistance			
tip Execution Date:			Stip Execution Date:			
This service is no	available in this office		This service is not	available in this office		
ax Services			English as a Second L	anguage Classes		
tip Execution Date:			Stip Execution Date:			
This service is no	available in this office		This service is not	available in this office		
	e Money Card		Juntos Podemos Bill P	ayments	Ш	

Check the box(es) below to indicate which office-level Daily Metric Report(s) should be emailed to this office. Un-check the box(es) to stop sending the corresponding Daily Metric Report(s) to this office. **Note:** Entity-level Daily Metric Reports will continue to be emailed to the entity email address regardless of whether or not you elect to have office-level reports sent to your office(s).

Send office-level Operational Reports to this office

✓ Send office-level Financial Reports to this office

Daily Metric Report(s) are delivered via email to the Office Manager email address, which can be viewed or edited from the General Information Tab.

**Electronic Signature** 

Mandatory eSignature on	All Bank Products; no other esi	-
	All ballk Floducts, Optional es	ignature on non-bank product returns
Discount Limits		
The maximum discount amou	unt allowed in Tax Software. Plea	ase specify both the dollar and percentage amounts.
Discount Amount	Discount Percentage	
\$50.00	35%	
Tax Preparation		
State & Sales Tax		
Default State	State Sales Tax Rate	% State Sales Tax Applies To:
California	lack	□ <u>Prep</u> □ <u>EF</u>
Drake Account		
2018 Account Number	2018 Password	2018 Serial Number
<b>Links</b> Facebook Url		Twitter Url
https://www.facebook.cor		
Pinterest Url		Google My Business
Yelp Url		LinkedIn Url
Yahoo Url		Instagram Url
		Instagram Url
		Instagram Url
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nactivated on Jan 8 2019 12:	01PM.Previously belonged to Ter	
IN Office Address	01PM.Previously belonged to Ter	ritory CA375.
nactivated on Jan 8 2019 12:	01PM.Previously belonged to Ter	
nactivated on Jan 8 2019 12:  TIN  Office Address  Address  440 SOUTH 4TH STREE	01PM.Previously belonged to Ter	City El Centro
IN Office Address Address 440 SOUTH 4TH STREE	01PM.Previously belonged to Ter	city
IN  Office Address Address 440 SOUTH 4TH STREE  State CA	01PM.Previously belonged to Ter	rritory CA375.  City El Centro Zip
nactivated on Jan 8 2019 12:  TIN  Office Address  Address	01PM.Previously belonged to Ter	rritory CA375.  City El Centro Zip

First Name	<u>Last Name</u>	SSN		ed 11/15/21  Date of Birth	Page 192 of 211 PageID# 192
Maribel	Gorosave	553-9	91-5661	10/11/1979	
Uploaded V	erification Documents				
EFIN/FA Verif	ied	E	FIN Application Sumr	nary	
<b>✓</b>					
	<b>Y</b> Verification History				
Field Name	New Value	Old Value	Date Chang		UserName
Verified Verified	True False	False	01/08/19 13 01/08/19 12		LIBERTY\Kristi.Klindienst LIBERTY\patricia.old
Verified	1 4130	True	01/08/19 12		LIBERTYTAX\ent5205
Document Uplo	oad History				
Action	Document		Date Change	d	UserName
Upload	EFIN (Entity:5205)		01/08/19 13:3	4	LIBERTY\patricia.old
Delete	BANK (Entity: 1000)		01/08/19 12:2	2	LIBERTYTAX\ent5205
Delete	EFIN (Entity:1000)		01/08/19 12:2	2	LIBERTYTAX\ent5205
Delete	BANK (Entity: 5205)		01/08/19 12:0	1	LIBERTYTAX\ent5205
Delete	EFIN (Entity:5205)		01/08/19 12:0	1	LIBERTYTAX\ent5205
Office Bank	Account Information				
Routing Numbe	er (RTN)	Αςςοι	ınt Number (DAN)		
122000247		6325	946850		
Bank Account (					
MARIBEL GO	ROSAVE				

Entity Breakdown											
Id	Name	DMA	Sales Rep DM	RD	AD	Address	City	State Internal Support	Open Date	Return Count	Status
Region 101 (Thomas Bartolomeo)				Jay Canaday							
CA375	ElCentroCA-	Yuma-El 1Centro, AZ- CA	UnassignedUnassig	ned	Thomas Bartolomeo			Patricia Old			Active/Contract Closed
14926	El Centro					440 SOUTH 4TH STREET	El Centro	CA	1/8/200	9 361	Active
19715	Siempre					350 Ross Ave Suite E	El Centro	CA	1/8/201	5 0	Inactive

# EXHIBIT

F1

## ASSIGNMENT AND AMENDMENT TO FRANCHISE AGREEMENT

This ASSIGNMENT AND AMENDMENT to the Franchise Agreement is made on the Effective Date listed below by and between Maribel Gorosave, ("Amended Franchisee"), Nora Garcia ("Former Guarantor") (Former Guarantor and Amended Franchisee are referred to as "Former Franchisee" when referred to collectively herein) and JTH Tax, Inc. d/b/a Liberty Tax Service ("Franchisor").

Whereas Former Franchisee has a license to operate certain Liberty Tax Service franchises referred to as CA375 and CA376 pursuant to written franchise agreements entered into May 1, 2013 and December 19, 2013, respectively, for the franchise territories set forth in the Schedule "A" of the franchise agreements (collectively the "Franchise Agreement", "Franchised Business"); and

Whereas Former Franchisee desires, and Franchisor agrees, to amend the Franchise Agreement to remove Former Guarantor as a guarantor thereon.

Now, therefore, in consideration of the mutual covenants and agreement herein, the parties hereto agree as follows:

- 1. Amended Franchisee shall remain as a guarantor of the Franchise Agreement and shall be responsible for all obligations pursuant to the Franchise Agreement, including, but not limited to, the payments of any and all promissory notes or other amounts owed to Franchisor in relation to the Franchise Agreement, whether accrued prior to or after this agreement.
- 2. Former Guarantor is hereby removed as a guarantor of the Franchise Agreement; however, agrees to remain bound by the post-termination covenants contained therein.
- 3. Amended Franchisee agrees, in consideration of Franchisor's consent, to enter into a separate Guaranty Agreement whereby all accounts and notes receivable balances owed by Former Franchisee shall be guaranteed.
- 4. Former Franchisee, Amended Franchisee and guarantors hereby further agree on behalf of themselves and all their employees, agents, successors, assigns and affiliates, to fully and finally release and forever discharge Franchisor and its past and present employees, directors, officers, agents, area developers, assigns and affiliates, from any and all claims, actions, causes of action, demands, damages and costs, which could be asserted against such persons and entities or any of them up through and including the date of this Assignment and Amendment.
- 5. This Assignment and Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (e.g. "pdf") format shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of similar import in the Agreement shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based record keeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC § 7001 et seq.) or any other similar state or federal laws.

Except as modified above, the terms of the Franchise Agreement remain in full force and effect.

# Accepted and Agreed to:

FORMER FRANCHISEE:	JTH TAX, INC., d/b/a
Nora Garcia & Maribel Gorosave	LIBERTY TAX SERVICE
By:E7E5C0B4EF11487	By:
Nora Garcia	Daint. John Hewitt
DocuSigned by:	Print: John Hewitt
By:	Title:CEO
Maribel Gorosave	DocuSigned by:
	By: Matthew D
AMENDED FRANCHISEE:	
Maribel Gorosave	Print:
By:Bocusigned by:	Title: VP, CFO
Maribel Gorosave	
•	Effective Date: 9/12/2016

# EXHIBIT

F2

## **ACCOUNTS AND NOTES RECEIVABLE GUARANTY AGREEMENT**

THIS ACCOUNTS AND NOTES RECEIVABLE GUARANTY AGREEMENT is made on the Effective Date listed below by and between Maribel Gorosave ("Guarantor") and JTH TAX, Inc. d/b/a Liberty Tax Service ("JTH").

WHEREAS, Nora Garcia and Maribel Gorosave ("Former Franchisee") own or owned certain JTH franchise territories under the entity known as 5205 as an informal partnership and now Former Franchisee is desirous of effectuating a change of the name and ownership type via separate Amendment to the Franchise Agreements toMaribel Gorosave, sole proprietor and whereby Nora Garcia will be removed as a guarantor thereon; and

WHEREAS, through Former Franchisee's acquisition, ownership and operation of the JTH franchise territories, Former Franchisee has accrued certain amounts owing to JTH and Guarantor may accrue further certain amounts owing to JTH (hereinafter collectively "Accounts and Notes Receivable Balance"); and

WHEREAS, JTH desires and Guarantor has agreed that any obligations or amounts due or owing, whether prior to or after the date of this Agreement as related to the operation of any JTH franchise territories currently owned or to be acquired in the future shall be guaranteed by Guarantor and as such considered due and owing by Guarantor.

NOW, THEREFORE, in consideration and as a condition to JTH's consent to the Amendment to the Franchise Agreements, whether said debts accrue prior to this Agreement or after this Agreement, the Guarantor hereby unconditionally, absolutely and irrevocably guarantees the Accounts and Notes Receivable Balances, past and future, and hereby agrees as follows:

- 1. Assent. The Guarantor acknowledges that Guarantor has full knowledge of the principal amount, interest charges and other related fees as well as the additional terms and conditions as set out in all promissory notes and the Accounts and Notes Receivable Balance with JTH, as well as the potential to accrue additional Accounts and Notes Receivable Balances owed to JTH as related to the operation or acquisition of JTH franchise(s). Guarantor hereby unconditionally, absolutely and irrevocably guarantees the performance, as primary obligor and not merely surety, under the terms of the promissory notes and the Accounts and Notes Receivable Balances, current and future.
- 2. Obligation. Upon default, Guarantor hereby agrees to assume all obligations and responsibilities for repayment to JTH under this Agreement and any and all accounts and notes receivable balances owed to JTH. JTH shall not be obliged to seek recourse prior to enforcing the rights under this Guaranty. The Guarantor agrees to remain fully bound until all monies due to JTH pursuant to the Accounts and Notes Receivable Balance have been paid in full and waives all rights of subrogation and set-off. The Guarantor further waives all defenses based on suretyship.

- 3. Automatic Payment Transfer Program. Upon default, pursuant to JTH's Automatic Payment Transfer program, all of the revenue that Guarantor is to receive, under any of Guarantor's agreements with JTH or, if applicable, SiempreTax+ LLC (such as an area developer or franchise agreement), from any and all sources of revenue shall initially be paid directly to JTH, rather than to Guarantor. JTH will deduct from this revenue money that Guarantor owes to JTH and deduct and hold monies to apply to upcoming amounts due to JTH by Guarantor, and remit any remaining balance to Guarantor. All such payments shall be applied first to past-due interest outstanding and then to principal.
- 4. Waiver. Guarantor hereby unconditionally and irrevocably waives any right to revoke this Agreement and acknowledges that this Agreement is continuing in nature and applies to all presently existing and future obligations. Guarantor further unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of non-performance, default, acceleration, protest or dishonor and any other notice with respect to any of the obligations pursuant to this Agreement.
- 5. Notice. The Guarantor waives notice of default and agrees that its Guaranty shall become absolute without necessity for the giving of such notice.
- 6. **Performance**. The Guaranty herein and any payments herein specified shall continue until full, complete and faithful performance of the terms of all promissory notes and Accounts and Notes Recievable Balances owed to JTH are fully satisfied and completed.
- 7. **Default fees.** In the event of default by the Guarantor, all reasonable legal fees, collection and enforcement charges to the extent permissible by law, in addition to other amounts due, shall be payable by the Guarantor.
- 8. Liability. No relaxation, indulgence, waiver, release or concession extended by JTH and no delay or omission in the enforcement of payment or exercising of any of JTH's rights shall affect the liability of the Guarantor under this guaranty.
- 9. Successors and Assigns. This guaranty shall be binding upon and accrue to the benefit of the parties, their successors, legal representatives and assigns.
- 10. Governing Law and Severability. This guaranty shall be construed, interpreted and governed in accordance with the laws of the State of Virginia and should any provision of this guaranty be judged by an appropriate court of law as invalid, it shall not affect any of the remaining provisions whatsoever.
- 11. Release. By executing this Agreement, Guarantor, and Guarantor's officers, individually and on behalf of Guarantor's heirs, legal representatives, successors and assigns, and each assignee of this agreement by accepting assignment of the same, hereby forever releases and discharges JTH, its past and present employees, area developers, agents, officers, directors, JTH subsidiary and affiliated corporations and franchisees, their respective past and present employees, agents, officers, directors, from any and all claims which could be

asserted by Guarantor against any such persons and entities through the date of this Agreement, except obligations set forth or re-affirmed herein.

- 12. Jurisdiction. Guarantor consents to venue and personal jurisdiction in the state and federal court of the city or county of JTH's National Office, presently Virginia Beach state courts and the United States District Court in Norfolk, Virginia. In any suit brought against JTH, including JTH's present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, the parties agree that venue shall be proper only in the federal court located nearest JTH's National Office (presently the U.S. District in Norfolk, Virginia), or if neither federal subject matter or diversity jurisdiction exists, in the city or county state court located where JTH's National Office is (presently the City of Virginia Beach, Virginia).
- 13. Waiver of Jury Trial. In any trial between the parties hereto, including present and former employees and agents of JTH, the parties agree to waive the right to a jury trial and instead have such action tried by a judge.
- 14. Representations and Warranties. Guarantor represents and warrants that there are no conditions precedent to the effectiveness of this Agreement that have not been satisfied or waived and that Guarantor has, independently and without reliance, made its own decision to enter into this Agreement
- 15. Taxes. Each party agrees to be responsible for any tax consequences affecting said party as a result of this Agreement.
- 16. Entire Agreement. This Agreement and the promissory notes, other loan documents and any separate agreements with respect to fees payable to JTH constitutes the entire agreement among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto. This Agreement shall not be modified except in writing signed by the parties.
- 17. Personal and Entity Guaranty. The signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms. In addition, the signatures of all individuals below in any capacity, excluding individuals signing as representatives of JTH, also constitute their personal joint and several agreement to perform all the obligations in and relating to this Agreement. All signators below waive any right to require that JTH proceed against the other signators.
- 18. Counterparts and Electronic Signature. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (e.g. "pdf") format shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of similar import in the Agreement shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and

5205

enforceability as manually executed signatures or a paper-based record keeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC § 7001 et seq.) or any other similar state or federal laws.

GUARANTOR: Maribel Gorosave
Docusigned by:  Maribal Jaresona  9575AE094AD3443
Maribel Gorosave
Home Address:
937 LEE AVE, CALEXICO, CA 92231
937 LEE AVE, CALEXICO, CA 92231

J	TH	TAX,	INC.	d/b/a
Ī	IBI	ERTY	TAX	<b>SERVICE</b>

By:
Print Name:
Title:CEO
By:
Print Name: Kathy Donovan
Title: VP, CFO
Effective Date: 9/12/2016

# EXHIBIT

F3

Entity Number: 5205	Issue Number: 1657920
Entity Name: Nora Garcia & Mi	aribel Gorosave_
Member: Maribel Gorosave_	Percentage: 99_
Member: Nora Garcia_ p	ercentage: 1_
Member: Percentag	le: _
New Entity Name: Maribol Goros	BRVO_
Member: Maribel Gorosave _	Percentage: 100%
Member: _ Percentage	e: %_
Nomber: Percentage	e: %_
emaining (Member(s); Please att	ach your plan to get ourself or all past due ? he
ote: If debt to revenue ratio is gre	eater than 50%, a payment will be required to bring debt below 50%
emaining Member(s) accepts a berty Tax Service to run a cred	reflection to the control of the con
ote: If debt to revenue ratio is greenaining Member(s) accepts: berty Tax Service to run a cred	reflection to the control of the second of t
emaining Member(s) accepts a berty Tax Service to run a cred	reformance metrics.  Safer than 50%, a payment will be required to bring debt below 50% all responsibility of existing debt and gives JTH Tax, Inc. d/b/a it check.
emaining Member(s) accepts a berty Tax Service to run a cred	cater than 50%, a payment will be required to bring debt below 50% all responsibility of existing debt and gives JTH Tax, Inc. d/b/a it check.  Will Sign/Date
emaining Member(s) accepts a berty Tax Service to run a cred	sater than 50%, a payment will be required to bring debt below 50% all responsibility of existing debt and gives JTH Tax, Inc. d/b/a it check.  Sign/Date  Sign/Date  Sign/Date

Sign/Date S	Sign/Date
Sign/Date S	Sign/Date
Area Developer: Reviewed plan and eash flow v	with franchisec.
Approved by:  Area Developer	Date:
AD Support Review	
Compliance Items	
Budget Y/N Profit and Loss Statement Y Action Plan Tax School ACA Certification Y	GRR Y Internal Audit N Franchise Renewal Y Customer Issues N
Accounting  Fotal Debt: 中〇 Accounts Receivable Ratio: %_	e: \$0.0 Promissory Note: , O Debt
Notes : _	
Approved by: Regional Director)	Date:
pproved by: Chief Accounting Officer	Date: 8 8 16
pproved by: VP Operations or AVP Operations	Date:
pproved by:  Chief Executive Officer	Date:



Financial:

Figeal 2017 Budgets

Report Name: PRF60 - Franchisee Performance Metrics

Data Source: LTS Datamart

Data Selection: Performance, Budget, and Financial Data

Date Viewed: 08/08/16 1:21 pm

Franchisee: Nora Garcia & Maribel Gorosave

Entity: 5205

Entity Type: Tenants In Common

Entity Age: 8

Territories Owned: 2

RTO/TBYB Territories: 0

Unopened Territories: 0

DMA: You

DMA: Yuma-El Centro, AZ-CA

Performance & Compliance:

Prior Fiscal Year Returns:	701	Current AR:	\$0.00
Prior Fiscal Year Free Returns:	110	Notes Payable:	\$0.00
Total Gross Fees (last 12 months):	\$200,846.00	Accrued Interest:	\$0.00
Current Year Fiscal Year Net Revenue:	\$3,381.00	Current Due to LTS:	\$0.00
Entity Brand Retention:	52.91%	Amount of TLC Loan:	\$0.00

Fiscal 2016 Profit & Loss:

riscal zo to Fiblic & Loss.		riscai zvi / budget:	
# of Offices:	3	# of Offices:	3
Total Returns:	721	Total Returns:	1,266
Free Returns:	141	Free Returns:	300
Gross Fees:	\$201,438.00	# of Returns May-Dec:	14
Net Fees:	\$146,861.00	Net Fees:	\$252,356.00
Average Net Fees:	\$253.00	Average Net Fees:	\$261.24
Payroll %:	18.25%	Net Income:	\$56,970.78
Guerilla Marketing Wages:	\$7,900.00	Operations Approved:	Y
Guerilla Marketing Supplies:	\$450.60		

Guerilla Marketing Supplies: \$459.60

Zee Paid Advertising: \$131.12

Net Income: \$18,956.55

Operations Approved: Y

**Financial Metrics:** 

i ilialiciai Melites.				
	Fiscal '17	Fiscal '16	Fiscal '15	Fiscal '14
Net Revenue *	\$149,400.00	\$150,261.00	\$129,075.90	\$119,873.00
Operating Loan:	\$0.00	\$23,844.63	\$28,547.00	\$25,000.00
Cash-In-A-Flash Loan:	\$0.00	\$30,250.00	\$24,050.00	\$16,000.00
Bank Product Revenue:	\$607.05	\$87,775.85	\$73,691.80	\$63,119.33
Rebate:	\$0.00	\$107.00	N/A	N/A
Fees to Zees:	\$870.05	\$7,775.80	\$213.05	\$7,830.88
Fees Intercepted:	\$-263.00	\$80,107.05	\$73,478.75	\$55,288.45
Fees Released:	\$0.00	\$4,132.00	\$0.00	\$0.00
Net Intercepted :	<b>\$-263.00</b>	\$75,975.05	\$73,478.75	\$55,288.45
Beginning Debt:	\$16,384.87	\$61,307.03	\$46,480.06	\$17,630.92
Ending Debt:	\$0.00	\$16,384.87	\$61,307.03	\$46,480.06
Net Increase/Decrease:	\$-16,384.87	\$-44,922.16	\$14,826.97	\$28,849.14
Debt to Net Revenue Ratio:	0%	11%	47%	39%
Number of Active Offices:	3	3	3	2
Total Returns:	12	701	788	761
Total Free Returns:	2	110	154	151

**Operations Compliance:** 

LIDERTY Tax

<sup>\*</sup> Current Fiscal Year number represents the last 12 months GRRs. The other periods represent the actual Revenue for the Fiscal Period.

\*\*\*Any changes needed for this report must be approved by John Hewitt!!

Oldest GRR Completed - CV-00615	RCY731/6	Document 1 Filed 11/15/21	Page 205 of 211 PageID# 205
Send A Friend Payments:	\$8,070.00	Tax School Inquiries (CFY):	67
Cash In A Flash Payments (CFY):	\$0.00	Tax School Students (CFY):	1
Conference Call Attendance:	28%	Tax School Books Ordered:	0
Seminars (CFY):	11	Bronze Level Preparers	5
IOT Training (CFY):	0	Silver Level Preparers:	4
AOT Training (CFY):	0	Gold Level Preparers:	1
Update Training (CFY)	2	Diamond Level Preparers:	0
% of Customers Called	0%	Platinum Level Preparers:	0
	• ***	Rank Percentile:	15

<sup>\*</sup>Current Fiscal Year number represents the last 12 months GRRs. The other periods represent the actual Revenue for the Fiscal Period. \*\*\*Any changes needed for this report must be approved by John Hewitt!!

Franchisee: Nora Garcia & Maribel Gorosave

Entity: 5205

NOTE BALANCE @ 05/01/15	PRINICPAL PAYMENTS / CREDITS	DISBURSEMENTS	TRANSFERS	NOTE Balance @ 04/30/16	CURRENT INTEREST RECEIVABLE	INTEREST PAYMENTS
\$0.00	\$38,451.63	\$38,451.63	\$0.00	\$0.00	\$0.00	\$723.19
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$29,539.30	\$13,539.30	\$0.00	\$0.00	\$16,000.00	\$0.00	\$3,535.40
\$29,539.30	\$51,990.93	\$38,451.63	\$0.00	\$16,000.00	\$0.00	\$4,258.59
A/R BALANCE @ 05/01/15	PAYMENTS	CHARGES	TRANSFERS	A/R BALANCE @ 04/30/16		FINANCE CHARGES
\$31,101.02	\$69,506.14	\$38,405.12	\$0.00	\$0.00		\$1,939.80
\$666.71				\$384.87	<del></del>	
		\$76,856.75	\$0.00	\$16,384.87	\$0.00	\$6,198.39
	\$ALANCE @ 05/01/15 \$0.00 \$0.00 \$29,539.30 \$29,539.30 A/R BALANCE @ 05/01/15 \$31,101.02	BALANCE PAYMENTS / CREDITS  \$0.00 \$38,451.63 \$0.00 \$0.00 \$29,539.30 \$13,539.30  \$29,539.30 \$51,990.93  A/R BALANCE @ 05/01/15 PAYMENTS  \$31,101.02 \$69,506.14	### BALANCE ### CREDITS DISBURSEMENTS  \$0.00 \$38,451.63 \$38,451.63 \$0.00 \$0.00 \$0.00 \$0.00  \$29,539.30 \$13,539.30 \$0.00  \$29,539.30 \$51,990.93 \$38,451.63  A/R  #### BALANCE ### BALANCE ### CHARGES  \$31,101.02 \$69,506.14 \$38,405.12	### BALANCE @ 05/01/15   CREDITS   DISBURSEMENTS   TRANSFERS    \$0.00	BALANCE @ 05/01/15         PAYMENTS / CREDITS         DISBURSEMENTS         TRANSFERS         BALANCE @ 04/30/16           \$0.00         \$38,451.63         \$38,451.63         \$0.00         \$0.00         \$0.00           \$0.00         \$0.00         \$0.00         \$0.00         \$0.00         \$0.00           \$29,539.30         \$13,539.30         \$0.00         \$0.00         \$16,000.00           \$29,539.30         \$51,990.93         \$38,461.63         \$0.00         \$16,000.00           A/R BALANCE @ 05/01/15         PAYMENTS         CHARGES         TRANSFERS         @ 04/30/16           \$31,101.02         \$69,506.14         \$38,405.12         \$0.00         \$0.00	BALANCE @ 05/01/15         PAYMENTS / CREDITS         DISBURSEMENTS         TRANSFERS         BALANCE @ 04/30/16         INTEREST RECEIVABLE           \$0.00         \$38,451.63         \$38,451.63         \$0.00         <

Report Description: Contains Various Performance, Budget and Financial Data for the Selected Franchisee

Data Selection: Performance, Budget and Financial Data

Sort Criteria: None
Report Filename: Performance/ PRF60 - Franchisee Performance Metrics

Report Version: 45.06.16

<sup>\*</sup> Current Fiscal Year number represents the last 12 months GRRs. The other periods represent the actual Revenue for the Fiscal Period. \*\*\*Any changes needed for this report must be approved by John Hewitt!!

# Troident Details —Contact Details Office/Entity ID: 5205 First/Last Name: Maribel Gorosave Callback: □ Language Preference: English ✓ —Issue Type Type: Franchisee Action Item ✓ Country: US ✓ Category: Season Readiness ✓ Product: Compliance ✓ Sub Product: EFIN and Bank Account Verification ✓

### Comments

Link to EFIN Verification documents on Compliance Home Page - https://www.libertytax.net/Compliance/Documents/Forms/AllItems.aspx?RootFolder=%2fCompliance%2fDocuments%2fEFIN%20Documents&FolderCTID=0x012000CED576DE6E740F4EAA04F39A1A474D0B&View=%7b60DD6B79%2d1C14%2d4615%2d8451%2dBC445C480010%7d Link to IRS e-Services - http://www.irs.gov/Tax-Professionals/e-services—Online-Tools-for-Tax-Professionals Link to Admin System on ZeeNet - https://app3.libertytax.net/AdminSystem2008/Default.aspx

Link to KB article 2094: Uploading Bank and EFIN documentation to Admin - https://www.libertytax.net/ Support%20Central/Knowledge%20Base/Document%20Library/How%20do%20I%20upload%20EFIN% 20Verlification%20Documents.mht

Kristi Klindienst writes...

@ 5/13/2016 4:01 PM

Good afternoon! We still need to complete the EFIN verification process for offices 14926, 19230, and 19715.

Your offices are in jeopardy of being shut off from e-filing capabilities.

Summary: EFIN Verification - offices 14926, 19230, and 19715

Until the EFIN verification process is complete, you will not be able to submit an FAC for off-season financing, Cash in a Flash financing, and Send a Friend financing.

In order to do this, please provide the following as soon as possible:

- EFIN Application Summaries showing both entity owners as Principals and Responsible Officials (Nora will need to be added to your current EFIN applications); also make sure the legal name on the EFIN applications matches your entity name of "Nora Garcia & Maribel Gorosave" once updated, please upload the documents into the admin system on your offices' General Information tabs
- Bank statement or letter from your bank (showing the account number and both entity owners' names as signers) for the account that was entered into the admin system upload the document into the admin system on your offices' General Information tabs

The EFIN verification process is a Liberty Tax Service compliance item that needs your immediate attention.

Thank wave

**EFIN Verification Team** 

Kristi Klindienst writes...

@ 6/16/2016 1:52 PM

Your response to this issue is still needed.

Please note:

Your offices are in jeopardy of being shut off from e-filing capabilities.

Until the EFIN verification process is complete, you will not be able to submit an FAC for off-season financing, Cash in a Flash financing, and Send a Friend financing.

Jessica Jacobsen writes...

@ 6/22/2016 3:24 PM

Hello,

Please see the attached Request to Remove Guarantor(s) from an Entity form attached.

Once completed and signed, please attach to the issue for approvals.

Thank you,

Jessica

ent 5205 (Nora Garcia & Maribel Gorosave) writes...

@ 7/14/2016 5:51 PM

I've attached the signed Request to remove guarantor from entity 5205.

Jessica Jacobsen writes...

@ 7/18/2016 10:38 AM

Geoff,

Please see the attached request, review, and sign on the Area Developer line.

Once complete, please send back to me for approvals.

Thank you

Geoff Knapp (3) secretly writes...

@ 7/24/2016 1:32 PM

Oscar,

I need your guidance on this.I just took over this area and I see Nora being removed from Entity 5205. This entity does not do very well in term of returns or revenue. They owe us 16K and I am concerned without Nora's expertise they may not fare as well. Can you give me additional color around this? Her other entity 2561 is considerably stronger.

Thanks,

Oscar Aujero secretly writes...

@ 8/2/2016 10:34 AM

RD approves- through recent AD buyback, which Nora was a part of, all debt for this entity has been cleared.

Patricia Old secretly writes...

@ 8/4/2016 9:05 AM

Working thru email/DocuSign.

Miscellaneous

Attachmente | Delated Tecines | Notifications | Incident History | Office History

# UNITED STATES DISTRICT COURT EASTERN DISTRICT OF VIRGINIA Norfolk Division

**VERIFICATION** 

	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	

JTH TAX, LLC d/b/a LIBERTY TAX SERVICE, :

1716 Corporate Landing Parkway Virginia Beach, Virginia 23454; and

SiempreTax+ LLC d/b/a SiempreTax+ 2387 Liberty Way, Virginia Beach, VA, 23456

Plaintiffs,

v. : Case No:

Maribel Gorosave,

Serve: 937 Lee Ave, Calexico, CA 92231

And

Nora Garcia,

Serve: 1943 Annandale Way, Pomona, CA

91767

And

Maribel Gorosave d/b/a Brightworks Business

Services

Serve: 440 South 4<sup>th</sup> Street, El Centro, CA

Defendants.

STATE OF TEXAS

**CITY OF PLANO** 

GARY CHELLIAH, verify upon penalty of perjury that the following is true and correct:

I am a regional director for JTH TAX LLC d/b/a LIBERTY TAX SERVICES ("Liberty"),

I have read the foregoing verified Complaint and know the contents thereof and state the allegations are true. I base this verification on my knowledge, except as to matters therein stated to be alleged upon information and belief, and as to those matters, I believe them to be true. The grounds of my knowledge, information, and belief are derived from my position as regional director at Liberty, my personal involvement in the events underlying this litigation, and general investigation of the facts and circumstances described in the Verified Complaint, including, without limitation, my review of Liberty's records and conversations with Liberty's employees.

GARY CHELLIAH

**CERTIFICATE OF SERVICE** 

I hereby certify that I electronically filed the foregoing using the CM/ECF system, which

will send notification of such filing to all attorneys of record or unrepresented parties using the

CM/ECF system. I have also served via USPS Certified Mail, Return Receipt Requested, to the

following:

Maribel Gorosave

937 Lee Ave

Calexico, CA 92231

Nora Garcia

1943 Annandale Way

Pomona, CA 91767

Maribel Gorosave d/b/a Brightworks Business Services

440 S 4th Street

El Centro, CA 92243

This the 15th day of November, 2021.

Gordon Rees Scully Mansukhani, LLP

By: /s/ Allison J. Becker

Allison J. Becker